**EUROPE'S BUSINESS NEWSPAPER** 

Wednesday April 23 1986

D 8523 B

### Moscow

World news

#### condemns third US N-test

The US yesterday conducted a nuclear test, its third this year, beneath the Nevada desert. The offinest income to \$356.9m in the first cial Soviet newsagency Tass condemned the test as an act that dashed a unique chance to set the disarmament process in motion. Tass said the test showed the Reagan Administration was "disregarding the vital interests and aspi-

rations of all peoples, including its The second test conducted this year by the US on April 10 prompted the Soviets to call off their eightmonth-old self-imposed unilateral moratorium, which they had said would be maintained only as long as the US refrained from testing. Moscow has yet to end its moratori-um by exploding a weapon.

#### Gromyko absent

Soviet President Andrei Gromyko was absent from an important Communist Party meeting, fuelling speculation that he had not recovered from an illness that officials said he developed last week.

#### Tankers stopped

Iran reported intercepting tankers in the Strait of Hormuz for the first time since it threatened 18 months ago to confiscate oil pumped and sold by Saudi Arabia and Kuwait on behalf of Iraq.

#### Arms sale charge

A US federal grand jury handed down indictments against 17 men charged with plotting to sell more than \$2bn worth of arms, including fighter jets and missiles, to Iran.

#### Waldheim evidence

Rudolf Kirchschläger, Austria's President, said evidence from the UN and the World Jewish Congress on Kurt Waldheim, the former UN secretary general and the leading candidate in Austria's presidential election, provided insufficient proof for the allegations regarding Dr Waldheim's wartime past. Page 3

#### Trial move

West German state prosecutors recommended the acquittal of Wolfgang Otto, a 74-year-old SS sergeant on trial for complicity in the 1944 murder of German Communist Party leader Ernst Thälmann in Buchenwald concentration camp.

#### Kandahar siege

Afghan rebels broke through a Soviet and Afghan government security ring besieging the old city of Kandahar to resupply guerrillas fighting there, commanders said.

#### Royal visit

King Juan Carlos began a state visit to Britain, the first by a Spanish monarch for 81 years. Page 14

#### Peru deaths

Left-wing guerrillas beheaded 10 Indian peasants and an army patrol killed 10 guerrillas in clashes last weekend with rebels in the southeastern state of Ayacucho, the mili-

#### Port strike threat

About 300,000 port and dock workers have threatened an indefinite strike in June affecting India's 10 main ports, a union leader said.

#### **Uister protest**

Ulster Protestant leaders will announce a campaign of civil disobedience today, in protest against the

Anglo-Irish agreement. Tunis jailing A Tunisian court jailed Ahmed

Mestiri, a prominent opposition leader, for four months for organising an illegal anti-US protest, a measure that eliminates him as a candidate in November's general

#### Business summary Chrysler profits decline by 30%

No. 29.911

quarter, reflecting its decision to forgo price rises despite increased labour costs. Sales rose by 6.8 per cent to \$5.78bn. Page 21

DOLLAR remained weak in London, falling to DM 2.1985 (DM 2.208), SFr 1.8425 (SFr 1.849), FFr 7.013 (FFr 7.0425) and Y169.95 (Y172.05). On Bank of England figures, the dollar's exchange-rate index fell from 115.4 to 114.8. Page 37

STERLING was slightly firmer against the dollar in London at \$1.514 (\$1.5115). It eased, however, to DM 3.3275 (DM 3.3375), SFr 2.79 (SFr 2.795), FFr 10.6175 (FFr 10.645) and Y257.25 (Y260.0). The pound's exchange-rate index was 75.4 from 75.5 previously. Page 37

WALL STREET: By 2pm the Dow Jones industrial average was down 13.27 at 1,842.63. Page 44

LONDON: The FT Ordinary share index fell 4.7 to close at 1,389.8, while the FT-SE index ended at 1,665.2, down 2.8. Page 44 TOKYO: The first fall for six session trimmed the Nikkei average by

114.37 to 15,712.91. Page 44 GOLD rose \$3.25 an ounce on the London bullion market to \$345.50 and was \$2 higher in Zurich at

S344.25. Page 36 US ECONOMY: record fall in petrol prices helped to produce first quarterly decline in consumer prices

since 1954. Durable goods orders fell again in March. Page 4 EEC farm ministers were warned that they could not afford further concessions to their farmers on prices for the coming year, because

their budget was already hugely overspent. Commodities, Page 36 ALGERIA'S 1986 budget will be cut by about 20 per cent as a result of falling oil prices.

KUWAITS national assembly plans to question Finance Minister Jas-sem al-Khorafi and Oil Minister Sheikh Ali Khalifa Al-Sabah over the use of state funds to try to resolve a multi-billion dollar stock market crash in 1982, an assembly deouty said.

AFRICAN planning and economy ministers failed to agree on a controversial plan to set up an African Monetary Fund that would supplement the role of the IMF.

ROLLS-ROYCE, British aero-engine manufacturer, will seek to increase its share capital when it is sold to the private sector, said chairman Sir Francis Tombs.

Page 14; Lex, Page 20 PEUGEOT TALBOT, the UK sub-

sidiary of Peugeot of France, made a £12.84m (\$19.26m) loss last year after a small profit in 1984. HARLAND & WOLFF, the stateowned shipyard in Belfast, Northern Ireland, has won a UK Gov-

ernment order worth over £100m (S150m) for a naval support ship. Page 11 WESTLAND: Pressure for a govern-

ment inquiry into the ownership of blocks of shares in the UK helicopter group increased on the news that three mystery shareholders are based in Uruguay, Majorca and Los Angeles, Page 28

HOECHST, West German chemicals group, plans to raise DM 864m (\$391m) in a one-for-20 rights issue at the end of this month and confirmed that it would increase its dividend from DM 9 to DM 10.

FIAT AUTO, car division of Italy largest private enterprise, more than doubled its profit last year and will record a further increase in 1986, according to the group's chief executive. Page 21

PHILIPS, Dutch electronics group, warned that its first quarter sales and net income would fall because of continuing losses in its electronics division. Page 21

SUNSHINE MINING of Dallas has shut its Kellogg, Idaho, silver mine, the largest in the US. Page 21

### EEC partners set to join Britain in expelling Libyans

BY DAVID LENNON IN LONDON

BRITAIN may deport more Libyan to expel 21 students believed by the Government to be involved in revolutionary activities in support of the regime of Col Muammer Gadaffi, the Libyan leader.

The crackdown on the Libyans was ordered by Mr Douglas Hurd. the Home Secretary, because of fears of terrorist retaliation for the bombing raids on Libya last week.

The British move, although planned earlier is in line with the decision on Monday by the European Community's Foreign Minis-ter to curb the activities of Libyan diplomats and other nationals as a response to Libyan support for international terrorism.

West Germany, Denmark and the Benelux countries are expected in the next few days to announce reductions in the number of Libvan diplomats and other embassy staff who will be allowed to remain in the Libyan Peoples Bureaux in

their national capitals.

The deportation moves - which come one week after British-based US bombers launched raids against Libya - were welcomed by the White House. "This is the sort of action the President is looking for," Mr Larry Speakes, the White House

Soviet naval vessel, believed to be a frigate, appeared in Tripoli harbour in the first military demonstration of Moscow's support for Libya since the US air raids last week.

was needed to combat international terrorism.

Britain may deport more Libyan nationals if it is felt that this would be in the interests of national security. Asked if more expulsions were imminent, a Whitehall official said: "This is not a finite nor a rolling programme," which, he agreed, translated as "maybe."

A Home Office spokesman said the expulsions were ordered "on the grounds that their deportation would be conducive to the public good, in the interests of national security." The Libyans had been under surveillance for some time and all had been actively engaged in Libyan student revolutionary activities in the UK, he said.

The 21 students, who were studying at various universities and other educational institutions in various parts of Britain, will be effectively barred from 12 European countries. The European Community has decided not to admit Libyan spokesman, said yesterday. But, at nationals into one member state afthe same time, he added that more ter their ejection from another. The

deportees will go on a list of undesirables to ensure they do not re-enter any EEC country.

One of the Libyans to be deported is believed to be Mr Adil Masood, 23, who was a trainee pilot at the Oxford Air Training School. He is alleged to have telephoned Tripoli Radio offering to form suicide squads to hit US targets. This earned him the nickname "the Kamakazi Pilot."

Because their expulsion was or dered on security grounds, the students do not have the normal right of appeal to Britain's the immigration appeal tribunal. However, if they wish, they can ask to have their deportation order reviewed by a non-statutory advisory board of three wise men.

Home Office officials said the Libyans had the right to contact legal representatives, but that most of them had waived any right to seek a reconsideration of their case.

Their dependants are not being expelled, "but will be expected to leave in the near future," the Home Office said. Most of the deportees

Continued on Page 20

Gadalfi shelves maverick approach, Page 4; Fiat ready to buy Libyan stake, Page 21

### UK considers tougher action against Tripoli

by Kevin Brown and Peter Riddell in London

BRITAIN is considering further ac- ya last week. But there was uproar stiffen the limited agreement closed that Britain's conditions on reached by EEC foreign ministers, the use of the aircraft did not cover Mrs Margaret Thatcher, the Prime the type of weapons used. Minister, said yesterday.

that the EEC had gone further than that the US planned to use anti-perever before in agreeing to cut the sonnel cluster bombs, and her voice numbers of staff at Libya's "Peowas drowned as she insisted that it ple's Eureaux" and to restrict thei movements. But, she added, "we would have liked a lot more to have been done, and we must consider how much further to go ourselves." The nature of any further British

action is not yet clear, although it will probably stop short of full eco-nomic sanctions, which the Govern-ment does not believe are workable. Mrs Thatcher renewed her defence of her decision to allow Britsh-based US aircraft to attack Lib-

tion against Libyan diplomats to and shouts of disbelief as she dis- tion to sales of subsidised EEC but-There were jeers as she indicated alone.

She told the House of Commons that she was not told in advance weapons to use against agreed

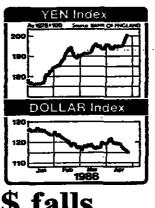
Mrs Thatcher's words provoked the rejected Labour claims that claims from opposition Labour MPs the majority of British people opthat the use of US nuclear weapons posed violent action against terror-might also be outside the control of ism. I have this strong feeling that the British Government.

aircraft was the best means of strik-strength of the arguments which ing these targets. The precise meth- led the Prime Minister to take her ods are a matter for the US."

ter to Libya but said that, unless the rest of the Community agreed, there was nothing the UK could do

Mr Douglas Hurd, the Home Secretary, said he had been consulted about the national security implications of the US air raid, and had given his support to the Prime Minis-

He rejected Labour claims that The dollar ended in London at opinion is shifting, and that there is The Prime Minister said: "We a much clearer understanding than were advised that the use of F-111 there was a few days ago of the gland index at 75.4. Yen too high, Page 4; Feature, of British stocks quoted on N
Page 19; Money markets, Page 37
will not be visible in London. decision," he said.



#### \$ falls further against the yen

By George Graham in London THE DOLLAR continued its decline yesterday, shrugging off a growing chorus of anguish from Japan aimed at preventing it from depre-

ciating further against the yen.

The US currency ended at Y169.95 in London, a little more than Y2 below its previous close. Traders said the market still expected the dollar to move lower, but remained wary of the possibility of central bank intervention to prevent it falling too fast.

Mr Noboru Takeshita, Japan's Finance Minister, indicated yesterday that he would like to see the year stabilise at around Y180 to the dollar, and that concerted intervention might be mounted by members of the Group of Five industrial nations to achieve this. He appears, however, to have won little support for this view from either Europe or the

Although the D-Mark has gained nearly 30 per cent against the dollar since last September's G5 meeting in New York which decided to bring the US currency down, the West German authorities are as yet showing far less concern about the effect of this appreciation on expor-ters than their Japanese counterparts.

The Bundesbank has appeared

reluctant to cut its discount rate further from its present level of 3.5 per cent in line with the recent interest rate cuts in Japan and the US. While such a cut might help to stem the dollar's decline, it could also strain the European Monetary System, where the D-Mark has been trading at the bottom of its permit-

ted range against the French franc. European ministers are expected to use the forthcoming economic ther appreciation of the yen in order to reduce Japan's massive trade

DM 21985, a loss of less than a plennig, after trading as low as DM 2.178. It fell slightly to \$1.514 against sterling, which ended the day 0.1 lower on the Bank of En-

### VW to sell Triumph-Adler to Olivetti

BY ALAN FRIEDMAN IN MILAN

with Volkswagen of West Germany to buy Volkswagen's loss-making Triumph-Adler office equipment that the Triumph-Adler takeover subsidiary. The price was not-discussed, but it is understood to be since its landmark agreement with closed, but it is understood to be about DM 150m (\$68m).

At the same time, Volkswagen is two years ago when it bought 25 per cent of Olivetti.

The Olivetti takeover of Volkswagen's 98 per cent shareholding in Triumph-Adler increases immedisales by nearly 18 per cent and gives it control of a company which claims 30 per cent of West Ger-many's electronic typewriter mar-ket (Triumph-Adler is neck and neck with Olympia in the German ment will be subject to the approval market). Olivetti is believed to have of both the West German Cartel Ofaround 10 per cent of this market in

of the world market. Olivetti has around 35 per cent of the European

typewriter market.
Volkswagen is selling nearly all
of Triumph-Adler operations to Olivetti, representing divisions with total sales of DM 1.6bn last year, of which DM 1bn came from West Germany, about DM 200m from subsidiaries in France, Britain,

OLIVETTI, Europe's leading office Australia and New Zealand and automation company, has agreed roughly DM 400m from US with Volkswagen of West Germany operations.

AT&T, which has resulted in significant orders for the US market to acquire 5 per cent of Olivetti for where AT&T sells Olivetti personal about L400hn (£267m). The price computers. Other key Olivetti deals Volkswagen is paying is equal to the amount paid by AT&T just over marketing agreement under which marketing agreement under which Xerox also sells its personal compu-ters in the US and its two-way marketing agreement with Toshiba of

A senior Volkswagen executive is soon to join the board of Olivetti and the two companies plan to cooperate in future with regard to Volkswagen's Pertec Peripherals Corporation, the US office computer subsidiary. The entire agreefice and the US Justice

West Germany.

Triumph-Adler also claims that it
has 15 per cent of the US electronic
trocuriter market and 14 per cent

Department.

Triumph-Adler, employs 9,552
people. In recent years, it has been
held in check by restructuring costs and problems at Pertec. Last year losses totalled about DM 100m. The company says it increased its pro-duction of electronic typewriters by more than 40 per cent last year to 750,000 units. Some 75 per cent of

Continued on Page 20 Feature, Page 18; Olivetti results,

### Nasdaq and London launch prices link

BY ALEXANDER NICOLL IN LONDON

THE London Stock Exchange yesterday launched an experimental providing for the two way electronic exchange of share price quotes across the Atlantic.

The pilot scheme, involving nearbase and to new pools of interna-bitious steps so far in the trend to-wards cross-border investment and Macklin, president of NASD. wards cross-border investment and: which is sweeping the world's stock markets.

Viewers of the London exchange's Topic screens and of the the competitive international field. NASD's automated quotation system, Nasdaq, can see prices of the biggest stocks from each other's domestic markets, as well as of international stocks quoted in each market - with the exception that prices of British stocks quoted on Nasdaq

Nasdaq - also known as the overthe counter market - had turnover link with the US National Association of S233an last year including tion of Securities Dealers (NASD) \$12.50m in non-US shares.

For many companies, this will open an international window, providing access to a new shareholder link is part of its effort to provide

technological systems enabling it to remain as a central marketplace in It is also discussing an association with the New York Stock Ex-

the US which might late help in the Continued on Page 20

Electronic bridge, Page 27

### Nynex to buy IBM computer shops

BY PAUL TAYLOR IN NEW YORK AND LOUISE KEHOE IN SAN FRANCISCO

a surprise agreement announced yesterday, Nynex, one of the seven regional Bell telephone holding

Product Centers across the US. Earlier this year, IBM completed the transfer of its loss-making Satellite Business Systems telephone unit to MCI Communications in re-

turn for an equity stake. It also marks a big expansion by expanding into new non-telephone anti-trust approval.

businesses. Nynex said it would acquire 81 from independent computer retail-IBM Product Centers, located in 33 ers, as well as from regulators and which sell IBM equipment ranging from typewriters to its top-of-the-

IBM, the world's largest computer dealerships in three city locations search firm. group, is selling its US network of where Product Centers were op-retail IBM Product Centers. Under erated from IBM buildings.

Nynex has already built up a sizable business equipment retailing operation, opening 19 Datago Business Centers in the north-east US since December 1984, and plans to The move represents the latest in open two more shops soon. The aca series of rationalisations by IBM. quisition of the IBM Product Centralism this pr ters will result in Nynex's operating about 100 business equipment shops across the US - one of the largest nationwide computer retail-

ing networks. Nynex, which plans to rename Nynex, which has been among the the IBM stores, did not disclose most aggressive of the seven re-gional holding companies - spun off due to be finalised by the end of from AT&T when the Bell System June. The agreement is also subject was broken up two years ago - in to a number of conditions, including

states and the District of Columbia, rivals concerned about the rapid nationwide expansion of the regional companies' non-telephone busiesses. "IBM's retail product centres

The deal might meet opposition

IBM's sale of its retail outlets reflects a broad slowdown in retail US and a highly competitive mar-ketplace in which price discounting

is widespread. According to Infocorp, another market-research firm, retail sales of personal computers were down by about 20 per cent in the first three months of 1988 compared with the same period a year ago.

In this environment, the IBM stores were prevented from match-

ing the heavily discounted prices of-fered by independent IBM retailers because, according to analysts, IBM was reluctant to compete aggressively with its authorised dealers. IBM Product Centers sold personal computers at list price or at a small discount, whereas independent dealers typically offered a 25

per cent discount. Another problem

for the IBM-owned shops was that

they were unable to offer peripher

al products manufactured by other IBM said yesterday that the Product Centers had met all the objectives set, including that of selling more IBM equipment.

companies, will acquire 81 IBM

line personal computers together ness with a wide range of computer soft-

have never lived up to IBM's expec-Under the terms of the agreetation in terms of sales or profit acsilver mine, ment, Nynex will have the right to cording to Mr Seymour Merin, of Page 21 open additional authorised IBM the Gartner Group, a US market re-

In IBM's shadow, Page 23 the arguments

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Commenced Contract to the necessity of their

### Greek Cypriots say UN plan is unworkable

THE LATEST United Nations with the 18 per cent Turkish majority only for decisions on plan in their formal response draft settlement plan for Cyprus Cypriot minority controlling one issues of special importance to to the Secretary-General last the door open for a future majority the other. The two Turkish military intervention, Greek Cypriot officials said yesterday in their first direct comment on the document.

The officials criticised the new plan for giving the Turkish Cypriot community more power in the executive and the legislature and a better deal on territory than two previous UN plans submitted in January and

communities have been segregated in a de facto partition of gated in a de facto partition of the island since 1974, when Turkey invaded Cyprus, follow-ing a coup organised by the Greek junta.

Specifically. the Greek Cypriots say they are unhappy with the present plan because it calls for a majority, includ-ing at least one Turkish Cypriot April. 1985.

All three plans foresee a twozone federal republic in Cyprus,

Contrast, demanded a weighted

Similarly, according to the Greek Cypriots, under the new plan all legislation, and not just plan all legislation, and not just bills of special interest to the minority, will have to go to both the upper and lower chambers of a proposed two-chamber Parliament. The plan foresees 50:50 Greek Cypriot to Turkish Cypriot representation in the upper house, and 70:30 in the lower. 70:30 in the lower.

on the island. The UN plan relegates these issues to work-

The Greek Cypriots side-

instead to organise either an international conference, or a new summit meeting between Mr Denktash and Mr Spyros Kyprianou, the Cypriot President, to resolve three basic issues: the withdrawal of Turkish occupation troops and settlers from Cyprus: effective international guarantees for a settlement and the freedom to travel, settle and own property

### Anti-Soviet party leader jailed in Poland

Grindlays Bank p.i.c.

**Interest Rates** 

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A POLISH court yesterday sentenced Mr Leszek Moczulski, the ill-fated leader of the KPN antisoviet group, to four years in prison, and four other members to terms of between two and two-and-a-half years.

Mr Jerzy Urban, the government spokesman has mean Mr Moczulski set up the antisoners during of being one of in support in the heady days of Poland's handful of political prisoners during the Solidarity period.

The 56-year-old former journalist was yesterday found port for the movement had guilty of membership of a sentenced to seven years in prison but released under an prison but released to seven years in prison but released under an prison prison but released under an prison but released under an prison pri

secret grouping which aimed at sentenced to seven years in provoking public unrest. The prison but released under an KPN stressed the aim of an amnesty in the sumer of 1984, independent Poland and He was rearrested at a KPN Mr Jerzy Urban, the government spokesman, has meanment spokesman, has meanwhile linked the possibility of an amnesty in the summer for 1979 and was arrested a year provoking public unrest. The prison but released under an KPN stressed the aim of an amnesty in the summer of 1984. Poland's political prisoners to a later to enjoy the dubious dis-

### INTERNATIONAL

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#### Mediterranean trade talks suspended

By Quentin Peel in Luxembourg TALKS between the EEC and its Mediterranean trading partners to ensure their traditional exports to the Community will have to be suspended for two months, after EEC Foreign Ministers failed yesterday

to agree on any new concessions. A request by the European Com-mission for more flexibility in its negotiating mandate with countries such as Morocco, Tunisia, Algeria, Egypt, Israel and Cyprus was finally blocked yesterday by Spain, fighting to win safeguards for the Canary Islands.

and vegetables, such as tomatoes, citrus fruit, and onions will get a worse deal from the EEC than those from non-member states as a result of the current negotiations. The Twelve have promised that their traditional Mediterranean partners will be able to maintain

#### Commission call for car test in all EEC states

yesterday proposed that all member states should test all cars over three years old for roadworthiness, Reuter re-ports from Brussels. At present, France, Deumark, Ireland, Spain and Portugal do not require such annual

#### Wine death toll

poisoned by wine laced with methyl alcohol, has died in a hospital in Piedmout, bring-ing to 23 the total of known victims of Italy's tainted wine scandal, AP reports from

#### Finland strike

Policemen responsible for checking passports of non-Scandinavian travellers joined Finland's civil servants strike yesterday for 16 hours in support of their union's pay demand, AP-DJ reports from Helsinki. The strike has widened to include 42,000 state employees throughout the country, affecting mostly rail and air traffic and stopSusan Ellicott chronicles the rise of 'le hamburger'

### Fast food takes a bite of the French market

FAST FOOD is big business in the SNARR, thinks there are slices of roast beef and intro-Paris—surprising as it may seem several reasons. Paris surprising as it may seem in the capital of haute cuisine. The crowds at fast food res-

The crowds at fast food restaurants on the Champs-Elysées are outnumbering those at nearby bistros. Even the local bakers are starting to feel the pinch as fast-food croissonteries churning out the familiar French breakfast roll, brioches and pains au chocolat.

The US-style ontlets in Paris have multiplied nearly ten times since 1980 and now number close to 1,000 reflecting the in-The Spanish Government fears that Canary Island exports of fruit close to 1,000 reflecting the in-creasing French appetite for "le hamburger" and "le milkshake." Last week's fifth Fast Food

Exhibition in Paris, organised by the National Fast Food and Catering Federation (SNARR) has mushroomed in size too. With 175 stands, it was the bigtheir current export levels, despite the accession of Spain and Portugal

With 175 stands, it was the biggest to date.

It is not so much the big US chains which have cornered the French market, but home-grown businesses. Only McDonalds and Burger King among the US companies have made an impact of any significance on the French palate.

The others, despite North American names like Freetime, O'Kitch, Manhattan Burger, Mister Goodfast and Love Burger are 100 per cent French.

Turnover of FFr 3.3bn (5311m) last year for the French fast food industry marks both a

fast food industry marks both a 44 per cent increase from 1984 and a dramatic turnaround in contemporary culinary tastes. In 1972, when McDonalds first made a foray into the French market, it franchised all its outlets to guard against Gallic shrugs of disapproval.

More and more women are going out to work. As a result going out to work. As a result the long lunchbreak has gone out of fashion in favour of the quick, working lunch. Fast-food is reliable in quality, cheap and

It is not so much the big US chains which have cornered the market, but home-grown businesses. Only McDonalds and Burger King have made an impact on French

convenient. More importantly, the Americanisation of our young people means that everything American today has become chic—and that includes ketchup," she says.

Recent statistics show the average fast food fan to be under-25, female and an ex-client of the traditional family-

another," says Mrs Magnin. And when it came to the "They respond to different serious business of lunch, he needs. We won't ever lose our backed up his call by tucking traditional cuisine. In fact, we into a sumptuous spread of So why the fast food boom have improved the US ham-burgers, chips and synthetic now? Mrs Catherine Magnin, of burger—added fresh salad, crab-sticks.

The food industry believes the fast food business has now reached maturity, although turnover is expected to double be-tween now and 1990. Freetime, the second largest fast food com-pany in France which is owned

pany in France which is owned by the Accord hotel group, has already expanded elsewhere in Europe and in Asia.

There are still a few gaps in the French market, though. The Kis group, already known for its shoe-repair and key-bar chains, aims to open 50 "Cookis" snack stands by the end of next year, offering American-style biscuits and cakes.

Success in this sector of the market is not easy however, and

market is not easy however, and many companies have fallen by the way-side. "At first too many jumped onto the bandwagon."

says Mrs Magnin.
At the Paris show last week-At the Paris show last weekend French companies gave an
impressive, not to say indigestible, display of the latest in
fast-food equipment and food
novelties. Among the latter was
the "Chouet-Burger." ("Smashing Burger), which is baked
and eaten like a lollipop.

When Alain Madelin, the

Mr Alain Madelin, the Minister for Industry and Tourism, and one of the most "Of course there is still some show to urge the Frenchresistance to the hamburger, industry to push ahead with
but both bistro and burgergastronomic innovations and
joint can exist alongside one
another," says Mrs Magnin

into a sumptuous spread of

### Netherlands trade surplus soars

THE NETHERLANDS merchandise trade surplus rose to

reded energy trade. Exports one of Europe's gas exporters;

declined by 6 per cent to expects to sell much less gas

declined by 6 per cent to expects to sell much less gas from Fl 1.6bn in the preceding month and surged to F1 4.1bn in the first two months of 1986 from Fl 2.3bn in the same period a year earlier.

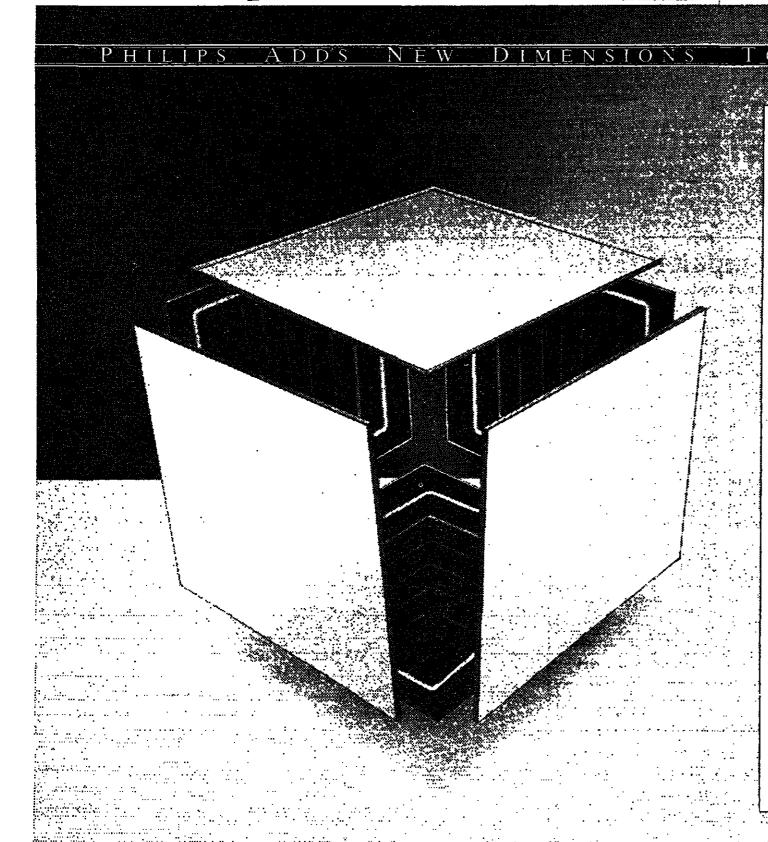
However, the value of both exports and imports fell in the January-February period compared with the first two months of 1985 as plunging prices for

FI 36.7bn in the first two abroad this year—30.8bn cubic months as exported energy metres, down from 37.9bn cubic plunged 25 per cent. Imports metres last year sank by 11 per cent to FI 32.7bn Foreign trade makes up an

the whole of this year is ex-pected to shrink slightly to economic recovery since 1983. Fl 18bn from a record Fl 18.3bn But domestic demand is finally last year as oil and gas prices expected to start remain low and world trade this year.

in the same period. unusually high two-thirds of The visible trade surplus for the Dutch economy and exports

....



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#### **Allegations** against Waldheim 'not proved'

By Patrick Blum in Vienna

DR RUDOLF Kirchschläger, the Austrian President, said last night that evidence from documents of the United Nations War Crimes Commission and from the World Jewish Congress on Dr Kurt Waldheim, the former UN Secretary-General and the leading candidate in Austria's forthcoming presi-dential election, provided insuffi-cient proof of the allegations raised against Dr Waldheim

He added that in his position as ordinance officer in the German army in the Balkans, Dr Waldheim must have known of the conduct of the war in his area.

Dr Waldheim has been at the centre of an international controversy. following allegations that he had been a member of Nazi organisations and that he had been implicated in Nazi atrocities in the Balkans. Dr Waldheim has strenuously denied the allegations and has

claimed that he was not aware of

the mass deportation of Greek Jews or of reprisals against partisans that took place at the time. In a special address to the nation broadcast on television last night, Dr Kirchschläger commented on the documents handed to him from

the UN and the World Jewish Congress on Dr Waldheim. He said: "On the basis of the evi-

dence presented to me, I would not dare to raise charges before a regu-However, he raised doubt about Dr Waldheim's assurances that he did not know of the atrocities com-

mitted in the Balkans by units under the command of Gen Alexander Loehr, an Austrian general execut-ed for war crimes in Yugoslavia. "On the basis of his tasks, he must have been informed of the entire situation within the range of

his competence, including the over-all conduct of the war in the Balkans," he said. Dr Kirchschläger called on Austrians to make up their own minds on who they wanted to be their next President, "What conclusions you draw for the presidential elections

must be left to you alone," he said.

#### Paris admits 'harassment' of NZ goods

By Our Paris Correspondent THE FRENCH Government conceded for the first time yester-day that imports of New Zealand goods were being held up for political reasons.

Up to now both the conserva-

tive administration of Mr Jacques Chirac and the previous Socialist administration have only "taken note" of New Zealand protests that France of New Zealand's refusal to release the two French foreign intelligence agents convicted for their part in the blowing up of the Greenpeace boat "Rain-bow Warrior."

Yesterday, however, Mr Michel Noir, the External Trade Minister, conceded that New Zealand imports of wool, lambs brains and other products were being held up by "little acts of harassment." He added that this was " not entirely for commercial " reasons but he hoped that France's dispute with New Zealand could be resolved on

a reasonable basis. French requests for the release of the agents have been rebuffed by Mr David Lange. New Zealand's Prime Minister on the grounds that he does not have the authority to reduce a prison sentence imposed by the courts.

Mr Chirac, however, has made the freeing of the officers one of the priorities of his adminis-

FINANCIAL TIMES

Published by The Financial Times (Europe) Ltd. Frankfurt Branch, represented by E. Hugo, Frankfurt/ Main, and, as members of the Board of Directors, F. Berlow, R.A.F. McClean, G.T.S. Damer, M.C. Comment, D.F.P. Palmer, London, RAF McLean G.T.S. Damer, McClean G.T.S. Damer, D.E.P. Palmer, London. Printer: Frankfurter-Societäts-Druckersi-GmbH, Frankfurt/Main. Responsible editor: C.E.P. Smith, Frankfurt/Mein. Guiollettstrasse 54, 8000 Frankfurt am Main I. C. The Financial Times Ltd., 1988. FINANCIAL TIMES, USPS No. 19660, published daily except Sundays and holidays. U.S. subscription days and holidays. U.S. subscription rates \$383.00 per annum. Second class postage paid at New York. N.Y. and at additional mailing of-lices. POSTMASTER: send address changes to FINANCIAL TIMES. changes to Final Line 14 East 60th Street, New York, N.Y.

### Moscow expands on chemical weapons inspection proposals

BY WILLIAM DULLFORCE IN GENEVA

THE SOVIET UNION said yesterday that it would accept systematic on-site inspection of its plants under an international convention to eliminate chemical weapons from world arsenais. It rejected, as unrealistic, however, the "mandators of the chellenge" system of in tory challenge" system of in-spection which the US has insisted must be agreed

The US proposal would allow a country with doubts about another's compliance with the ban to demand on-site inspection and have it carried out at short notice.

Mr Victor Isstaelyan, Soviet Mr Victor Isstaelyan, Soviet representative to the 40-nation UN conference on disarmament, tabled new proposals on chemical weapons which had been foreshadowed by Mr Mikhail Gorbachev, the Soviet leader, in January. They are a response to US complaints that Moscow had confined itself to generalities on the vital issue of verifying compliance with a ban

Mr Issraelyan said the Soviet Mr issraeiyan said the Soviet Union would agree to "an order of visits" to ensure the presence of inspectors "at all important operations for the destruction or dismantling" of chemical veation plants.

Although the seven-point

The Soviet Union condemned yesterday's US nuclear test in the Nevada desert as an act to set the disarmament proreports from Moscow. The blast had an explosive yield of up to 150,000 tons of TNT. However, Mr Edouard Shevardnadze, the Soviet Foreign Minister, said the Kremlin was in no burry to resume its own testing programme.

Soviet programme ficshed out Moscow's previous proposals and included a time schedule, under which a start would be made on destroying plants one year after the convention had come into force, it is unlikely to break the deadlock over US insistence on a verification procedure that would "constitute a credible deterrent to a potential violator."

US plans to produce binary

US plans to produce binary chemical weapons and to deploy them in western Europe were hitterly condemned by Mr Issraelyan. Binary weapons contain two chemicals, each harmless on its own but lethal

### Dublin steps in as gas grid plan falters

have been underlined by the receiver to the deht-ridden Dublin Gas company as a prelude to nationalisation.

The private company, a long-established but ailing town gas-supplier, was revived in 1983 when the state took a 25 per cent stake and promised more than If125m (f114m) to back an ambitious programme to convert users in the capital to naturai gas.

followed a similar collapse of of upgra-the Cork Gas company last network.

THE DIFFICULTIES facing summer. So far, the two cities Ireland in building a national are the only ones linked to Kinnatural gas grid fed by the sale gas which was established Kinsale field in the Celtic Sea as a commercial field in 1972. Plans toextend the grid to Government's appointment of a Northern Ireland were dropped

by the British Government in 1984 and, with oil prices falling far beneath predicted levels, extension plans for Limerick, Waterford, Clonmel, Drogheda and Dundalk look less and less attractive.
The inflation and oil price

equations on which the Dublin Gas scheme was based had so altered by last year that the company found itself unable atural gas.

to attract enough new custoThe failure of Dublin Gas mers to offset the heavy costs

banks. which had extended two thirds of secured loans of I£60m arranged under to its supplier, the Irish Gas Board, and the state, of Illam. When it could not agree with the board on new price formulas in the light of falling oil prices it madea formal claim

from 19.8m therms in 1983 to the 1983 plan, halved new from 19.8m therms in 1983 to In Limerick and Clonmel, funds. Dublin Gas had debts 61m in 1985, with industrial joint ventures are planned and commercial users account- between the state-owned gas ing for two-thirds of last year's board and the local corpora-total. But as oil prices tumbled, tions. Extensions up the east Kinsale Gas, which accounts for coast to Drogheda and Dundalk about 20 per cent of Ireland's look less viable.
primary energy needs, had only The gas board, a relatively

125,000 customers, has had considerable success in attracting unlikely now to involve private business. Sales volume rose companies.

In Limerick and Clonmel,

oil prices it madea formal claim of hardship to the Gevernment.

Earlier this month, Mr Dick Spring, Energy Minister, announced he was putting in a receiver to prepare the company for state takeover.

Last June. Mr Spring announced the takeover of Cork Gas which had run up losses over two years of If5m Dublin Gas, with some Times of Services may have to The gas board, a relatively small company in employment terms which buys gas from the enterms which buys gas from the extending the service.

The Government remains committed to developing the Dublin and Cork systems and extending the network to Clonmel, but admits the scope of services may have to losses over the past few years.

### Opec majority pessimistic about recovery in oil price

the Organisation of Petroleum must be in between. This means Exporting Countries which is \$18-\$20. I think." seeking to restore a measure of

its two phases, no clear con census emerged about what the right price should be. Officially, the traget remains \$28 per bar-

THERE is likely to be no Indonesia's chief delegate: Monday of still "pursuing a Brioni, speedy recovery of oil prices in "Clearly \$10 is too low a price price war" in collusion with Sheig the view of the majority within \$28 is too high a price. So it the US, following the recent Kuwait

That would certainly not be output discipline within a the view of the triple alliance higher and rising ceiling. of Iran, Algeria and Libya At the end of Opec's longest dissenting on the accord on conference, lasting 16 days in new ceilings. Saudi Arabia, its two phases, no clear con always in the last analysis Opec's ringmaster, has been inscrutable on the subject. It is believed to favour \$22-\$23. rel but there is no confidence Mr Gholam Reza Aghazadeh, of this being achieved soon. Iran's chief delegate, bitterly In the view of Dr Subroto accused Saudi Arabia on

visit to Riyadh by Vice-President George Bush.

At the same time the 10 members adhering to the accord here announced on Monday night that they were setting a maximum limit of 16.3m barrels a day for the third quarter and 17.3m b/d for the

abyl bee nthe disruptive factor behind Opec's failure to work Sheigh Ali Khalifa al Sabah, Kuwait's Minister of Oil, said out a formula well designed to reverse the slide in member's the assumption is that "by the end of this period, we are nearer to the figure collectively that we would like to produce."
In the meantime, Iraq's de-

fortunes.

The majority were not too woried about the dissent of the triple alliance about overall praduction levels. While Algeria has not sought to exceed its crude quata striving mand for a substantial increase in its allocation from 7.5 per cent to 14.3 per cent of the Opec total hangs heavily over ceed its crude quota, striving instead to maximise sales of quarter and 17.3m b/d for the fourth. They hope that a revised sharing agreement can be finalised at the next meeting, scheduled to start on June 25 on the Yugoslav island of the October 1982 pact has prob-

#### Honecker's **Bonn visit** recedes

By Leslie Colitt in East Berlin

THE SOVIET UNION and East Germany yesterday sharply condemned West German support for US poli-cies, thus virtually eleminat-

cies, thus virtually eleminating hopes that Mr Erich Honecker, the East German leader, would be permitted to make his first visit to West Germany in the near future. The attack on Bonn was contained in a statement issued yesterday by the East German news agency after a meeting on Monday between Mr Mikhall Gorbachev and Mr Honecker.

Mr Honecker. It said the situation in Europe could be considerably improved if West Germany chose the path of detente and good neinghbourly relations. The policies of the present West German Government, however, "unfortunately go in the opposite direction." The statement cited Bonn's

support for the US Strategic Defence Initiative programme, the transformation of West Germany into a "launching pad" for US missiles, as well as Bonn's alleged support for "dangerous forces." along with their East German

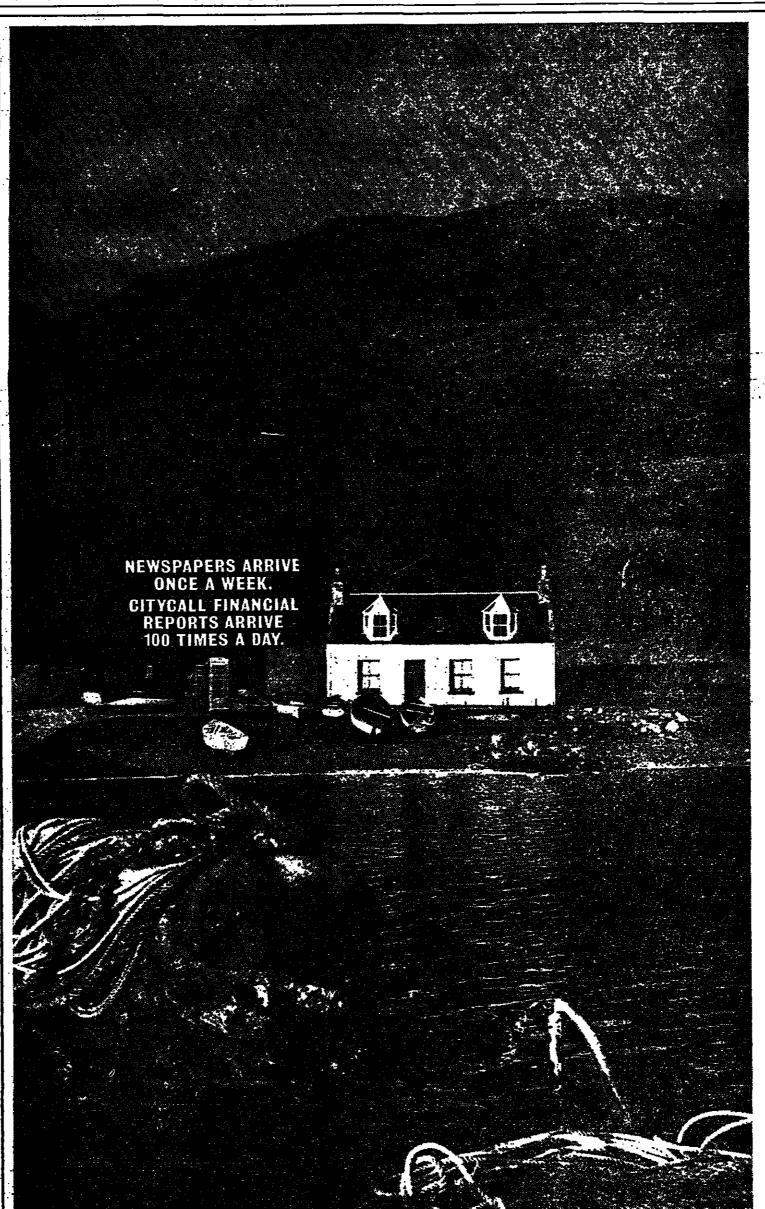
counterparts, bad been opti-mistic about Mr Honecker's chances of visiting West Gernany said the tough statement appeared to rule out a visit. The Soviet Union had pre-piously put pressure on Mr Honecker to cancel a scheduled visit to West Germany in September 1984. Soviet officials said then that such a visit was inopportune se soon after Boan had permitted new US medium-range

missiles on its territory. Until yesterday's joint statement there had been no clear public signal to Mr Honecker from Mr Gorbachev on the state of the long-delayed visit. The Soviet leader had spent six days in East Berlin where he attended the East German Communist Party congress.

#### Romania under attack over Serb minority

By Aleksandar Lebi in Belgrade SERB politicians in Yugoslavia have joined in the international criticism of Romania for trying to "assimilate" its ethnic minorities and for pursuing "the creation of a unified Romanian nation."

According to a 1979 census, there were 34,000 Serbs and 7,600 Croats, mainly in south-west Romania. But the Yugoslay consulate general there could not now gather data on the Serb and Croat minorities, the Serb parliament was told. has attracted criticism for its policy towards much larger Hungarian and German



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By Anthony Robinson in

THE SOUTH AFRICAN GOVernment today faces the greatest single test of its com-mitment to phase out what President P. W. Botha has called "the outdated concept of apartheid" when it publishes its White Paper on urbanisa-tion and the details of plans to abolish the hated pass laws. Last week in parliament president Botha announced that, from the moment of publication

of the White Paper, blacks would no longer be restricted in their movement and residence by the terms of their pass books. Those in jail for pass offences would be released "forthwith." From July 1 the passes will start to be replaced by a uniform identity domument for all races. Until these are obtained

however blacks will be obliged to carry their for identity purposes. carry their existing passes

On the face of it this will mark the end of over 60 years of influx control, steadily tightened since the National Party came to power in 1948, and the removal of one of the most vexatious, humiliating and hated aspects of apartheid

Given the legacy of distrust engendered by the Govern-ment's track record of legalistic and bureaucratic sleight of hand, however, the announcement of the abolition of passes has been met with deep scepticism by blacks, and by civil rights organisations.

They point out that, even without the pass laws, the Government still has a panoply of laws and by-laws—including vagrancy, trespass and aliens legislation—which empowers it to detain, arrest and expel. Repeal of the pass laws still leaves intact the fundamental legal bases of apartheid. These reside in the 1950 Population Registration Act, which cate-Registration Act, which cate-gorises all South Africans on a gorises all South Africans on a racial basis, and the group chief arms supplier, may be areas and separate amenities urging Col Gadaffi to exercise acts, which provide for racially more restraint. Moscow has,

restricts black land

### South Africa US 'lost five aircraft' in Libya raid

BY PATRICK COCKBURN IN MOSCOW

week, the Soviet Union claimed Said.

Mr Vladimir Lomeiko, the chief Soviet Foreign Ministry spokesman, said that Moscow knew through "national technical means" presumably satellite or other intelligence that the US had lost at least five and possibly six aircraft.

He said that the wreckage of two aircraft had been found on the ground and two others were shot down in addition to the one F-111 which the US aircraft as show that the US does not have british role in providing bases the means to attack with for the US bombers may become clearer during this week's four-day visit to Moscow by Mr Peter with Soviet weapons. Mr Lomeiko said: "the US wants to demonstrate its omnipotence, its Secretary and the most senior British minister to visit the Soviet capital since 1984 for anything more than a state funeral. The Soviet Union is clearly thing more than a state funeral. Mr Lomeiko said yesterday that a distinction had to be drawn between the actions of the British Government and one F-111 which the US aircraft a Libyan backed attack on a US the views of the British people bachev's ideas.

on Tripoli and Benghazi last the US authorities," Mr Lomeiko explosion in West Berlin was Moscow is clearly anxious to show that the US does not have the manner of the state of the state

SOVIET intelligence shows that the US lost more than one F-111 losses—and this is concealed by specific date on the planned bomber it admitted in its raids losses—and this is concealed by specific date on the planned by specific date on the planned by the US authorities." Mr I consider the US are than the official Soviet Foreign Ministry protest to Sir Bryan Cartledge, the British Ambas-sador, last week. He was told the

Tony Walker detects a change in the Libyan leader's mood

### Gadaffi shelves maverick approach

COL MUAMMER GADAFFI co-operation between Moscow the US Sixth Fleet challenged and Tripoli have got no further col Gadaffi's proclaimed "line standing among Arab leaders than an agreement in principle of death" delineating Libya's temporarily bolstered by last reached in early 1983. Col disputed territorial waters in week's US raid, but less clear is what impact the action is Soviet capital last October prohaving on his position at home, particularly among colleagues towards such an agreement.

The Soviets in any case are in the leadership.

Western officials in Tripoli say that, while the Libyan leader appears firmly in control after a period uncertainty immediately following the raid. the may be under pressure from those around him to curb the maverick style which helped provoke the military strike. His television speech last Wednesday was both notable for its caution about possible Libyan reprisals and conciliartory towards Europe. Col Gadaffi's manner in his few public appearances since the

raid has been subdued. This has been attributed to two factors: that he was deeply shocked by the US attempt to eliminate him, and that, as a result, he has decided to avoid for the time being flagrantly provocative statements and actions towards the US.

separate residential zoning, educational and other facilities, Repeal of the pass laws by itself also does nothing to alleviate the restrictive effects of the 1913 Land Act and subsequent homeland legislation which particle block load. Frequent attempts to con-clude a treaty of friendship and

The Soviets, in any case, are most unlikely to agree to mutual defence commitments to come to Libya's assistance in case of hostilities with other states. hostilities with other states.

Moscow is thought to be particularly concerned about the 2,000-to-5,000 Soviet advisers in Libya who are assisting with, among other things, the operations of advanced Sam-5 missiles installed at strategic locations along the Libyan coast.

coast. Radar facilities used to guide

Libya but these attacks have hit at targets such as military bases where Russian military personnel are almost certainly Soviet disquiet may also reflect misgivings in Syria. Its principal Middle East ally,

where President Hafez Al-Assad cannot be viewing with equanimity events in Libya. Tripoli Radio's calls to individual Syrian pilots to fly suicide missions against the Sixth Fleet to demonstrate Arab these missile batteries came solidarity is unlikely to have under attack last month when pleased the Damascus leader-

#### **Americans leave Beirut**

OPEN VANS and jeeps crammed with Druze militiamen and bristling with guns escorted 10 Americans out of Moslem West Beirut yester-day in the latest evacuation of foreigners since the murder of three Western hostages last week, writes Nory Boustany in Beirut.

Thirty-two Britons were pulled out last Sunday in similar fashion riding in grey buses and flanked by police jeeps and hordes of gun-brandishing Moelem militias. Security measures appeared tighter yesterday for the US citizens. Hundreds of Druze fighters blocked access roads to the 5 km ride from the

deserted US consulate along the seafront corniche to the

museum crossing straddling

the green line. Holding pistols and Kalash-nikovs at the ready, the militiamen scrutinised shell-pocked buildings nervously in a frantic race through the corniche Mazraa district, the last Moslem stretch leading to an army checkpoint on the

mid-city divide.

The evacuees, a mix of teachers, university professors, a writer and a resors, a writer and a businessman, departed tear-fully as their bus sped away along a palm-lined seafront avenue towards the relative safety of Christian east Beirut.

particularly over Lebanon, where Libya last year strongly supported the Palestinians against the Syrian-supported Shiite Amal movement in the so-called "war of the camps."

In the context of a possible In the context of a possible power shift in Libya's leadership, it was considered significant that Maj Abdul Salem Mohammed Jalloud, second in command, appeared publicly last Friday to explain his country's point of view, rather than Col Gaddaffi himself.

Maj Jalloud was rumoured early this year to be in political difficulties and possibly on the way out. He may have had his position extensible the by last week's events.

The Libyan number two, who is regarded as pro-Soviet in con-trast to Col Gaddafi who has adopted an equivocal attitude towars Moscow, suggested that the US raid is forcing Tripoli to move closer to the Eastern bloc. "Now we are about to review our policies," he said. "If we are forced to take steps (towards closer relations with the Soviets) those who pushed the situation must bear the responsibility."

Asked specifically whether Libya planned to allow the Soviets to establish bases in Libya, he said simply: "We have not decided yet." Maj Jalloud's appearance may

also have been meant to emphasise the Libyan leadership's collective nature, which has tended to be completely submerged under Col Gadaffi's

#### Iraq air chief tells foreigners to quit Iran

Iraq's air force commander yesterday warned foreigners to leave Iran and foreign airline and shipping companies to keep, away from Iraq's Gulf war enemy, Reuter reports from Baghdad.

Baghdad.
Air Marshal Hamid Shaaban
told the ruling Baath Party's
newspaper Al-Thawra: "I warn
all foreigners working in indusan foreigness working in indus-trial, economic and technical projects in Iran to stop their work and leave the country immediately, or else they will bear responsibility for their continuation."

continuation."

He told airline and shipping companies that, "if they continue (servicing Iran) despite our warning, we will not hesitate to act according to our national interest."

Aquino bank move President Corazon Aquino has

ordered the rehabilitation of the state-owned Development Bank of the Philippines (DBP) to enable it to resume lending to small and medium sized enter prises, Reuter reports from Manila.

Aquino gave the directive to Mr Jesus Estanislao, the banker economist, after swearing him into office as DBP chairman. The bank's lending windows were closed in 1982 because of lack of funds.

HK changes approved The committee drafting the Kong will revert to Chinese rule in 1997 approved a ten-chapter framework yesterday, covering civil rights, efence and other aspects of life in the trading

centre, The document outlines the legal structure under which the British colony will become the "Hong Kong special administra-tive region" of China, under terms agreed by Peking and London in 1984. The law will be completed by early 1988, the committee said.

Singapore blow

Government forecasts for Singapore's gross domestic product in 1986 have been revised down-ward, after the economy con-tracted a real 3.4 per cent in the first three months of the year, acting Trade and Industry Minister Lee Hslen Loong said Official projections now envisage a 1.5 per cent fall in GDP for the full year.

David Gardner assesses the chances of a long-awaited newcomer to Mexico's cabinet

Identikit candidate joins presidential race

### Japanese believe yen appreciation has gone too far

BY CARLA RAPOPORT IN TOKYO

THERE WAS a growing sense of urgency in Tokyo yesterday that any continued appreciation of the yen should be prevented. As foreign exchange dealers reported that they were unloading dollars because they believed that the US wants an even stronger yen, both Mr Yasuhiro Nakasone, the Prime Minister, and Mr Noboru Takeshita, the Finance Minister. aid that the recent appreciation

said that the recent appreciation had been too fast.

Both men indicated that concerted intervention would he mounted to stabilise the yen and that international co-operation would be sought to help prevent precipitous weakening of the dollar.

Mr. Nakasone fold Parliament: Mr Nakasone told Parliament:

Mr Nakasone told Parliament:

"The main goal is to make exchange rates stable and that needs the co-operation of other nations as well."

Speaking to a parliamentary committee, Mr Takeshita indicated that a rate of Y180 to the dollar would be an adequate level. The Group of Ten's finance ministers and central bankers had recently agreed on

level. The Group of Ten's Corporate long-term lending finance ministers and central amounted to about Y2,000bn bankers had recently agreed on (£7.69bn) last year.

the importance of stable rates. This accord, he said, was interpreted to mean a stabilisation at the level at that time, which was around Y180.

Yesterday, the yen went through the 170 to the dollar level for the first time to 169.35.

Japan's long-term lending rates are not likely to fall in concert with recent cuts in the official discount rate. While the official discount rate. Whe the discount rate has been cut by 30 per cent this year (from 5 to 3.5 per cent), long-term rates have lagged behind. They have come down by less than 15 per cent overall, from 7.5 to 6.4 per cent.

Japan's three long-term credit banks are understood to be watching market conditions before deciding whether to reduce the rate. It is also understood that the finance ministry would like to maintain the compon rate on long-term government bonds to be issued in May.

#### Indonesia clamps down on Australian tourists

BY OUR SOUTH EAST ASIA STAFF

critical articles published re-cently by a Sydney newspaper, tested to the Canberra Govern-have taken a further turn for ment over the offending newsthe worse.
About 180 Australian tourists

were unexpectedly refused entry to the resort island of Ball yesterday following a sud-den decision by the immigra-embassy in Jakarta, and there tion authorities to reverse are fears for the future of delicustomary practice and insist on previously issued visas. Earlier in the day a number

from Singapore. the financial deals of President Meanwhile, the bulk of an Suharto's family and business co-operation arrangement worth Australian-Indonesian defence

some A\$10m (\$4.8m) a year denied the reports and appears to have been frozen, vehemently criticised the Herald Talks between representatives and the Australian Press in of the two governments on the general.

THE PROPERTY OF PROPERTY OF A STREET

RELATIONS between Autralia matter took place yesterday, and Indonesia, already hurt by and a statement is expected to-Jakarta's outraged reaction to day.

paper articles and stopped the visit to Australia of a high-level Government minister.

Last week protesters demonstrated outside the Australian

cate marine boundary negotia-Earlier in the day a number of Australians were turned back at Jakarta airport after a flight ago, contained allegation about from Singapore.

The articles, published by the Sydney Morning Herald 13 days at Jakarta airport after a flight the financial deals of President

associates.
Indonesian officials have

#### **AMERICAN NEWS**

### De Larosiere warns | US to warn | banks of need to support Baker plan

BY STEWART FLEMING IN WASHINGTON

hanks cannot simply wait until the economic performance of debt-ridden developing countries has improved before lending them new money was issued yesterday by Mr Jacques de Larosiere, managing director of the International Monetary Fund.

He rointed out that commer.

He pointed out that commercial bank lending to the 15 middle-income developing countries covered by US Treasury Secretary James Baker's initiative for boosting growth fell by \$4bn in 1985. He went on to highlight "two fundamental facts of life about the debt problem."

The first, he said, is that a lack of financial support can undermine the economic reform plans of even the most committed developing countries.
"Improved economic performance in debtor countries should therefore be seen as partially dependent on new net lending.

BY OUR WASHINGTON STAFF

and the first quarterly drop

The good news on inflation

from the Commerce Department was partially offset by further evidence that the per-

industry may still be weakening.

The Commerce Department

**US inflation index drops** 

A RECORD plunge in petrol including the steel sector, trans-

prices in March helped produce port equipment including motor a second consecutive monthly vehicles, and capital goods all decline in the US inflation index reporting declining orders.

further evidence that the per-formance of US manufacturing for industrial production and industry may still be weakening. employment in manufacturing

yesterday said new orders for durable goods at US factories slumped by 2.5 per cent in March following a 0.6 per cent consumer prices since 1950 was

decline between January and welcomed by the White House

cent, with the metals industry further fall in April,

industry.

as petrol prices plunge

how the banks will be able to overcome the evident reluc-tance to lend—nicknamed tance to lend—nicknamed
"debt fatigue"—and jointly
reach agreement to make new
money available promptly
before new economic reform
programmes have clearly begun
to have a positive impact. Commenting on the effects of

developing country reforms which have already begun to pay off, Mr de Larosiere pointed to the "eve-catching" improvements in the current account and trade deficits of troubled Third World debtors, adding:
"In what some might regard as dependent on new net lending, the real 'litmus test' of adjust-not exclusively a precondition ment there has been a major for it."

Commercial bankers argue that it is natural for the banks

Commercial bankers argue that it is natural for the banks

Curbing of capital flight," which he maintained had fallen by 70 per cent between 1982 and 1985.

The new orders series tends

of weakness in the manufactur-

ing sector presented by the

latest report is borne out by

### Salt 2 violations

By Reginald Dale, US Editor, in Washington

time being continue to comply with the 1979 Strategic Arms Limitation Treaty (Salt 2), it will not necessarily do so in future if Soviet violations continue. Soviet violations continue.

The US position, approved by President Ronald Reagan in the past few days, is expected to be made public once consultations with the US, European and Asian alilies are completed.

The issue will arise again in December, when the US must decide whether to dismantle more older missiles to keep within the 1,320 limit on the combined number of multiple-warhead missiles and

February. Only a 41 per cent as a sign that real inflationsurge in defence orders preadjusted consumer purchasing vented a much steeper fall. Excluding the defence sector decline in inflation. Some new orders were down 5.7 per economists are projecting a point the motals industry further fall in April 1

## Moscow on

THE US is expected to issue a new warning to Moscow that, while it will for the

Mr Reagan will stay within the treaty limits in the immediate future by ordering two 16-missile Poseidon nuclear submarines to be dismantled when a new Trident sub-marine, the Nevada, starts sea trials next month, US officials said. If no older missiles were dismantled the missiles were dismantled the Nevada's 24 missiles would put the US 22 missiles above the treaty's 1,200 limit on multiple warhead missiles. However, officials said Washington would make it clear that in the future the US will not feel bound to comply with the limits "when it becomes militarily imporit becomes militarily impor-tant or beneficial." The aim was to give Moscow some extra time to decide whether to reciprocate

bombers, as more B-52 bombers are equipped with

cruise missiles.

"What we do in the future." said Mr Larry Speakes, the White House spokesman, "depends on our national security needs and our commitments to our allies in mostling the threat was in meeting the threat we face, which in turn depends on what the Soviets do." Hardliners in the Administration had argued that the US should send Moscow a clear message that it will not tolerate further Soviet treaty violations, possibly by simply drydocking the two Poseidons instead of scrapping them. Some of them welcomed Mr Reagan's compromise decision as implying that the US had already effectively decided to breach the treaty

MR ALFREDO Del Mazo, Mexico's new Energy Minister, is "the most ambitious man I have ever met," according to a European banker who had close dealings with him before

close dealings with him before his meteoric rise in Mexican Miguel Gonzalez Avelar, and politics, an ascent which could lead him to "El Grande," the presidency.

His promotion to the Cabinet this week has reshuffled the pack of aspirants to succeed President Miguel De La Madrid, whose single six-year term expires in 1988 and who, under Mexican law, is ineligible for May. in part, have stemmed whose single six-year term expires in 1988 and who, under Mexican law, is ineligible for

me-election.

Mr Del Mazo for about a year now has been mentioned as a plausible successor, and this has made it a matter of time before a suitable Cabinet post begin with, Mr De La Madrid has been reluctant to change

ministers.

There have been

ministers. There have been only seven departures from the Cabinet in three-and-a-half years: three left to become state governors (including Mr Francisco Laastida, the outgoing Energy Minister); three were removed for outright incompetence; and one, the most distinguished in the Cabinet, the Education Minister, Mr Jesus Reyes Heroles, died, Jesus Reyes Heroles, died, Second, the portfolios from which Mexican presidents traditionally emerge are firmly held the is one of the few grators. which Mexican presidents traditionally emerge are firmly held
down by men with their own
presidential ambitions. Mr
Jesus Silva Herzog, at the
Treasury, is the other frontrunner alongside Mr Del Mazo.
Neither Mr Carlos Salinas De
Gortari, the Planning Minister
(the post previously held by
Mr De La Madrid), nor Mr
Manuel Bartlett, at the Interior

In the 1958-64 administration.
He is one of the few orators
in the 1958-64 administration.
He is one of the few orators
and "renewal" to the recycled
verbiage which is the habitual
discourse of the party, 57 years
in power.

Crucially, he is one of Mr De
La Madrid's closest friends, and
Manuel Bartlett, at the Interior
in fact is his compadre by

Ministry, the key political port-folio, show any signs of aban-doning the race. There are still other candidates, foremost among them the Education Minister Mr

May, in part, have stemmed from a wish not to contribute further to the petty politicking and jostling for position among the contenders. But now that he has joined them, there is no doubt they are all under starter's orders.

By the lights of an administration which has emerged in its entirety from the federal bureaucracy, and none of whose senior members (with the exemption of Mr Gonzalez Avelar, a former senator) has ever fought an election, Mr Del Mazo is an identikit candidate. Aged 42, he is personable, confident and charming, and comes from a long-established family prominent both before

Manuel Bartlett, at the Interior in fact is his compadre, by



virtue of the President being Godfather to one of Mr Del Mazo's children Mr Del Mazo's initial background was as a private banker, before all banks were national-ised in 1982. He headed the international division of Comermex, at the top of the second flight of Mexican banking, before taking on Banca Cremi, the banking arm of the business empire of Mr Alberto Bailleres, which includes Industrias
Petoles (the world's largest
private silver producer), the
largest insurance group in Latin America and Cerveceria Moc-tezuma, the brewing concern. He modernised and expanded Gremi, but according to a former associate, "left before any judgment could be passed on his stewardamp. What he did was make it grow, particularly by forging interparticularly larly by forging international relationships with the Roths-

regulatory body, before becoming director general of public credit at the Treasury, now a frontline job held by Mr Angel Gurria, Mexico's chief foreign debt negotiator. Then in 1978 he took on the

Banco Obrero, the trades union savings institution. In less than three years he turned a lia-bility into profit, increasing its assets ten fold and earning the continuing gratitude of Mr Fidel Velazquez, for nearly five decades the overlord of the pro-Government trade union move-ment. Like "Don Fidel," ultimately the most powerful man in Mexico, Mr Del Mazo is a native of the state of Mexico. north of Mexico City. Mr "Don Fidel almost certainly had an important say in his surprise selection to govern the state in

1981. Mr Del Mazo's particular brief was to recover the PRI machine from a well-established local clique, which even by the high standards of Mexican provincial feudalism had turned the state into an unusually powerful private fiefdom which had reached into Mexico City itself.

Mr. Del Mazo not only re-gained control, but turned the local party into perhaps the most formidable machine the

childs and the Rockefellers."

Cremi under Del Mazo went into partnership with Rothschilds to promote joint ventures, while a joint leasing company was set up with Chase Manhattan.

His entry into public life came with a brief spell as deputy head of the National Banking Commission, the bank regulatory body, before becoming director general of public credit at the Treasury, now a frontline job held by Mr Angel Gurria, Mexico's chief foreign of expression.

His main obligations as Mexican state governor having been met his most immediate challenges now will involve a further liberalisation of oil ex-port policy and major public sector cuts.

Mexico is in the process of moving towards netback agreements with its major oil clients, ments with its major on chemis, after last month's radical decision to move to spot-related oil pricing, hitherto dismissed as "speculation." Left wing "speculation." Left wing nationalist opinion, inside and outside the PRI, has been educated to regard this as an inadmissable surrender of sovereignty over Mexico's main resource.

resource. Further, the announcement of a major sell-off of public sector enterprises is imminent. Though the De La Madrid Government is committed to slimming down the public sector, Mexican opinion has had the centrality of state enter-prise drummed into it over the

years.
Tripwires aplenty swait the new "cardinal," as presidential aspirants are known, before he sees even a puff of white smoke on the 1988 horizon.

#### **US will not charge Arafat** over diplomats' deaths

THE Justice Department said gian diplomat after being taken yesterday it would not bring hostage in Khartoum by eight charges against Palestine Liberation Organisation (PLO) lease of Sirhan Sirhan, conleader Mr Yasser Arafat over the billing of two US diplomets Konnedy and other prisoners. the killing of two US diplomats
13 years ago in the Sudan.
Reuter reports from Washington.

Responsibility was claimed by the Black September Organisation, an arm of the PLO.

The Department cited lack of The case was reopened last legal jurisdiction over the kill- November after Mr Charles ings and insufficient evidence Lichenstein, former deputy UN linking Mr Arafat to the ambassador, gave the Justice murders. Department new evidence Ambassador Cleo Noel and which he said implicated Mr Charge d'Affaires George Moore Arafat in planning the embassy were killed along with a Bel-takeover

#### Bolivia resolves teachers' strike

THE Bolivian Government agreed yesterday to re-hire nearly 75,000 sacked teachers and promised to raise their wages eight-fold from their monthly average of about 40m pesos (£13,24), Reuter reports from La Paz.

The signing of the agreement with teachers' representatives defused a series of nationwide defused a series of nationwide road blockages and strikes of Haiti (PDCH), told a rally relatively few signs of support support of the teachers, who were dismissed in February after refusing to start classes.

Officials said they hoped the move would ease social move that the capital with 3,000 pro-government supporters.

Mr Claude, one of about a of cabinar the resignations move would ease social unrest

#### Haiti candidate voices fear of possible coup d'etat

A LEADING presidential can-told the rally that unless ruling-A LEADING presidential candidate fears a coup d'etat in Haiti by supporters of exiled former president Jean-Ciaude all Duvalierists from office. Duvalier, agencies report from Port-au-Prince. "The country is in danger," cribed as well-armed Tonton Pastor Silvio Claude, founder of Macoutes,

Mr Claude, one of about a of cabinet ministers, and the dozen presidential candidates, looting of food warehouses.

#### **WORLD TRADE NEWS**

#### Krupp unit to plan Argentine **DMT** plant

On

ar

By Peter Bruce in Bonn KRUPP KOPPERS, the pr plant arm of West Germany's Fried. Krupp steel and engineering group, has won a contract to plan a DM 200m (\$90.9m) dimethyl terephthalate (DMT) plant in Argentina.

Krupp spokesmen said yesterday the group would also manage the construction of the plant and its commissioning, late in 1988.

DMT is a feedstock used in the production of polyester fibres. The plant, which will have a capacity of 45,000 tonnes a year, is to be built in

Krupp, which built a DMT plant in Argentina in 1972, would not say how much its contract was worth. The construction of the new plant, the company said, was designed to make Argentina self-sufficient in DMT.

Krupp said it had already planned or built 18 other DMT plants around the world.

The new plant is being planned round a process developed by Dy-namit Nobel, formerly part of the Friederich Flick group in West Ger-

Dynamit Nobel will also take a share of the construction and commissioning contracts awarded by Petrocimica General Mosconi, the

#### Oil market fall hits Hungarians

By David Buchan in London HUNGARY's largest chemical trading company, Chemolimpex, ex-pects to see its hard currency earn-ings fall 20-25 per cent this year be-

cause of the depressed world market for oil and gas-related products. Mr Janos Sandor, Chemolimpex's development director, yesterday further illustrated the squeeze in which many Hungarian exporters now find themselves by pointing out that even the modest recent fall in the price of Soviet oil and gas

sold to Hungary was not being passed on to domestic producers. To maximise tax revenue, the Budapest Government was maintaining price levels of naphtha and gas the raw materials on which 70 per cent of the chemical industry

Hungarian Government officials have forecast a \$200m drop this

### Brussels gives Canberra 'no dumping' pledge

talks between Mr Bob Hawke, Australia's Prime Minister, and Mr Jacques Delors, the president of the Commission.

"The basis and framework for relations between EEC and Australia has been significantly improved," Mr Hawke said in Brussels.

He had received assurance that, in the short term, the Community would not start dumping its agricultural surplus in markets built up by Australia and that, in the longer term, agriculture would play a prominent part in a new round of international trade liberalisation talks due to be launched later this year.

This year, relations between the two have been characterised by mutual recrimination. Australia has been vociferous in its criticism of the EEC's common agricultural policy.

It has expressed fears of being trapped in a farm trade subside the Community. The Commission has accused Australia of being unfriendly and put off planned ministerial consultations.

AUSTRALIA'S erratic relation-ship with the European Com-munity looked set to enter a period of calm yesterday after logical research and develop-

On specific farm trade matters, Mr Hawke received from Mr Delors:

Confirmation that the Community will not interfere in the Australian merkets of Japan, South Korea, Papua New Guinea, Malaysia, Singapore and Thaliand through the use of farm export subsidies;

Agreement that there should be a standstill and rollback of farm subsidies and that this cannot wait for the outcome of the new international trade

 An undertaking that there will be talks to improve access to the Community market for Australian beef: Strict adherence to the minimum price provisions of the International Dairy Agreement.

Mr Hawke is touring selected
Community capitals after a
visit to Washington last week.
His talks so far have not
diminished Australian fears of
an EEC-US farm trade subsidy

of being unfriendly and put off planned ministerial consultations.

In the new atmosphere of two settling the problems of bonhomie, these consultations the sector "leaving Australia will be reinstated and the two and others out in the cold."

#### **Australia awards Italians A\$29m radar contract**

BY EMILIA TAGAZA IN CANBERRA

Mr Kim Beazley, the Defence
Minister said yesterday that
one would be installed at the
Tindal Air Force Base in the
agreed on Australian parti one would be installed at the Tindal Air Force Base in the Northern Territory, which is being developed for one of Australia's Hornet squadrons. The other system will be installed at the East Sale base in Victoria.

The contract is covered by the Anstralian Government's offsets of the equipment.

Australian Government's offsets the equipment

AUSTRALIA has awarded a policy, whereby foreign sup-A\$29m (£14.5m) contract to pliers of government contracts Italy's Selenia Industrie Elet-troniche for two airfield sur-veillance radars.

A\$2.5m are required to pass on part of the work to Australian companies.

The offset requirement is 30 per

#### Slice of **Bosporus** bridge deal goes to UK

By Christian Tyler, Trade Editor

BRITISH companies have won a consolation prize in the con-tentious affair of the second Bosporus bridge.

The Japanese consortium, led by Ishikawajima-Harima Heavy Industries (IHI), that secured the prestigious contract has subcontracted part of the work to two UK companies.

In a deal worth £6.7m, it has ordered some 10,000 tons of cable and rope for the suspension bridge from Rylands-Whitecross of Warrington, Lancs., and British Ropes of Donesster Vorks

Despite British Government protests at the defeat of the UK bid a year ago, and subsequent demands for a share of the work, the sub-contracts are not a political gesture, IHI said yesterday.

"We cannot afford to do that. We are a commercial company. The contracts were won on price," Mr Yasuhiro Asakino, IHI's general manager for European operations in London,

The Japanese, who also won on price, are still annoyed by British ministers' claims at the time that Japan had stolen the contract by its larger offer of concessionary finance.

They were also upset by what they regarded as the peremptory demand by the unsuccessful contender, Trafalgar House and its subsidiary Cleveland Bridge, for a share in the work.

However, Mr Asakino yesterday stressed IHI's interest in finding British partners for future projects in third countries, and praised the rope manufacturers chosen this time for their high technical

The contract for the suspension bridge, with 37km of road, is valued at \$270m (£180m) to worth at least A\$2.5m are required to pass on part of the work to Australian companies.

The offset requirement is 30 per the offset

Three other contracts for associated motorway, the be built by Turkish and Italian partners, bring the total value of the project to \$551.2m.

for the total, " "

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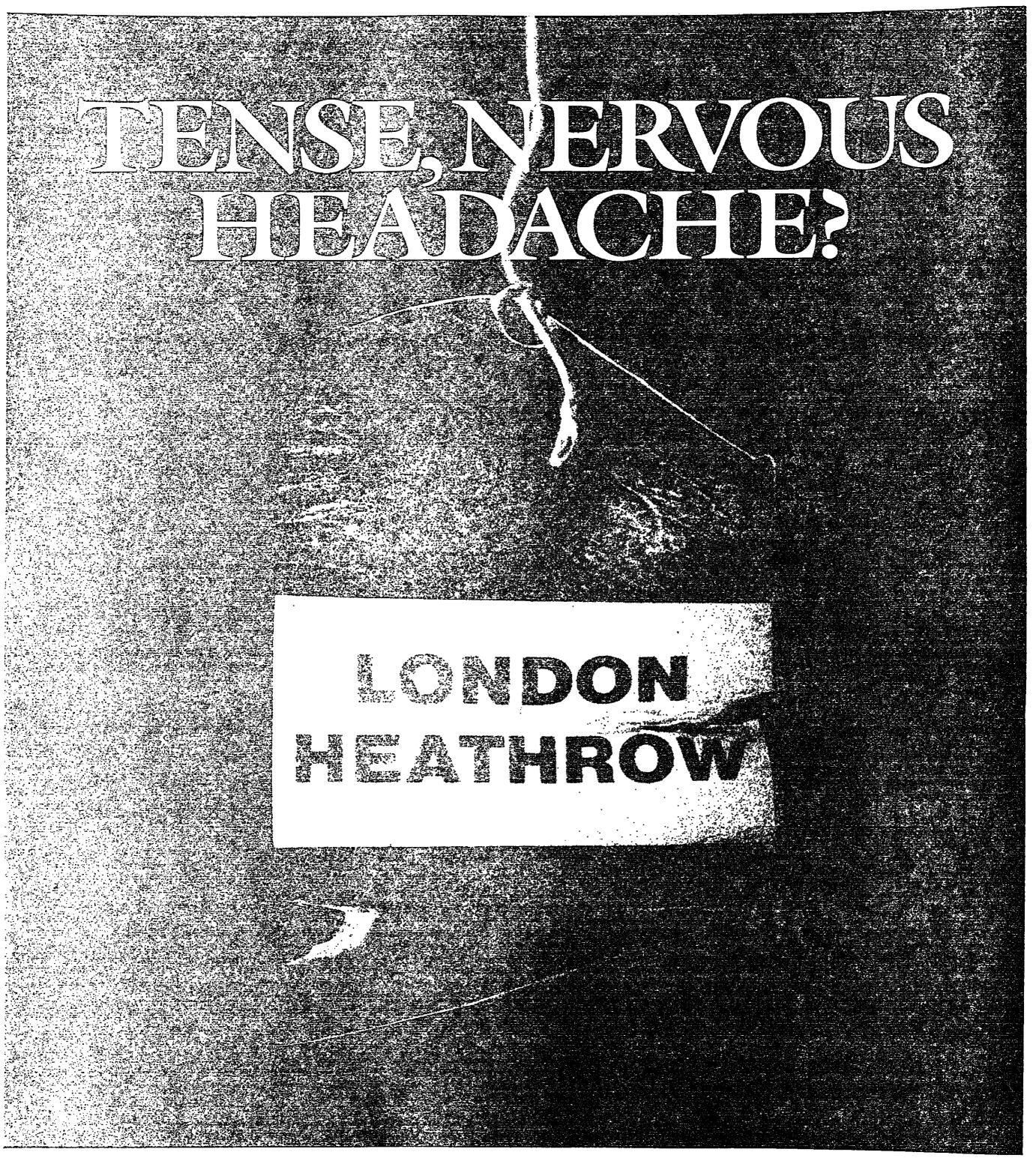


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A curious ailment seems to affect those who fly via the airport on the left. Confusion, stress, loss of direction. It's known to the cognoscenti as Heathrowitis. Other sufferers describe it as airport lag.

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#### THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

BY ANY standards John Bryan is a strikingly direct man. "I am not a product of the system I am a product of nepotism," he says, managing to sound arrogant and disarming at the same time. "I got a job because my father gave me one. I have never climbed a corporate ladder. I have never not been head of a company." Wavering only slightly, he concludes: "And

Bryan, approaching 50, rattles off the professional record—an unusual one for a US top-ranker -which has made him chief executive of Sara Lee, one of the 50 biggest corporations in the US and a once-creaking

He took charge 11 years ago when he was 38, after his family's meat business had ended up under the control of Consolidated Foods Corporation, the messy grouping which changed its name to Sara Lee a

That change appears to be the finishing touch to the disciplined restructuring which has occupied Bryan since he took over.

the stormy 1970s virtually unaffected by the troubles which have afflicted competing groups like Beatrice, General Foods and General Mills, While they were still busy acquiring new and ever more diversified businesses. Bryan was going in the opposite direction, quietly disposing of non-core operations and building a group specialis-ing in branded packaged con-

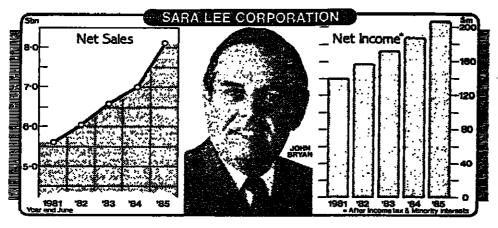
company had made its mistakes. In the late 1960s the management was obliged by the US regulatory authorities to sell off 25 per cent of the business, mainly the distribution end. But in the rush to re-build it added on a rag-bag of ill-matched subsidiaries, which threw the company off balance. Sales had recovered but profitability was suffering when

Bryan took control. He promptly dumped about 60 businesses making commercial and industrial products, and dealing in basic commodity

Last year Sara Lee sold more started

Christopher Parkes talks to the chief executive of Sara Lee, the US foods to medicines group

### The life of Bryan



hold products, gloves, under-wear, tights, tobacco, candy bars, canned vegetables and home medicines. Outside the US it is best known for Douwe Egberts and Chat Noir coffee, Amphora and Drum pipe and rolling tobacco, Kiwi shoe polishes, Sara Lee frozen cakes, Aspro and Rennies.

The most striking oddity is Sara Lee's Electrolux vacuum cleaner business—no connection with the Sweden-based multinational appliance company. However, claims Bryan, it might appear out of place in any group. It is unique in that its products are sold door-to-door and cost up to \$600 each. It is also extremely profitable, he

Wall Street likes what it sees. "The people at the top are very sophisticated." says one analyst.
"Many of their markets are very competitive, but they are in the business they know best and that gives them the edge over

Bryan's rebuilding process started in the boardroom.
"When we bought a company part of the deal," he explains. independent. I can't stand "The barons would meet, each cronyism." with a constituency to protect. and we ended up with an un-

Seven of the barons left in the first wave of changes. Now there are only four insiders on an 18-member board, with the rest drawn from a wide range of businesses, including banking, oil and drugs. "We have two Nixon. To tighten operational control, he increased staff at the group's Chicago headquarters

three major moments in the history of the company. It is needed for the transition between chief executive officers, something which is often done badly. It has to attend any change of ownership, when the right judgment is critical..."

He breaks off, frowns, greater than fighting a bunch of elephants in matter markets.

Declaring himself a good delegater, leaving individual companies' management to run their own operations, he values his board colleagues above all as advisers. "They are my window on the world." Through that window Bryan

thinks he has a clear view of the future. In the past few years he has rounded off the Paul McCracken, a former three major acquisitions. For a economic adviser to President total of about \$160. wear, hosiery and underwear business, the Douwe Egberts coffee company based in the "The board is not there to manage the business," declares Bryan. "It is there for two or products and pharmaceuticals.

"Board members must be of elephants in mature markets

like the US or Europe," he

Says.

He recounts a story told him by an international banker about corporate life in Vietnam.

The last plane out "We were on the last plane out of Saigon. We had made a lot of money there... and we didn't leave a penny behind."
It is not clear if he approves or disapproves, but the moral is plain: even in the worst circum-stances western business canprofit handsomely in developing

By contrast Bryan speaks almost wearily of recent experi-ences in more traditional mar-kets. In the Netherlands, for example, he seems aggrieved by statutory controls on manage-ment which may tend to fudge decision making.

But there are beasts far nastier than elephants. Bryan nastier than elephants. Bryan reserves a special contempt for "Wall Street technologists, junk bond jugglers and lawyers with their games and gimmicks" who he biames for spawning the recent outbreak of mergers and asset stripping in the US.

Having escaped the attentions of predators so far, Bryan believes Sara Lee is in a strong enough position to resist. No

enough position to resist. No "good" company has yet fallen prey to the strippers, he claims. Also, the technology of defence has improved, even though he has not time for poison pills and similar devices. "We run our business in the old-fashioned way," he says confid-

Apart from any old-fashioned tactics he may have up his sleeve he says any bidder would have to pay "a monstrous price" to get its hands on Sara Leemore than 20 times earnings at present levels.

present levels.

The company's new name may have a cosy, down-home ring to it. But just as Pooh's pal Tigger is a potential man-eater beneath the cuddly exterior, so Sara Lee has a baseball bat tucked in her bustle. She last used it in 1984 in the sulphurous battle which developed when Reckitt and Colman had when Reckitt and Colman had the temerity to try to upstage the company in its takeover overtures to Nicholas Kiwi. It is still to hand. "If anyone

decides to get abusive or oppor-tunistic," snarls Bryan, "we'll

# threat

This is the main and some-what controversial conclusion of a study by Robert Reich former director of policy planning at the Federal Trade Commission during the Carter Administration. Now a tutor in political economy at Harvard University, Reich has become one of the foremost advocates of the argument that the US Government

Written with Eric Mankin, also at Harvard, the study addresses itself to what some Japanese refer to as the "hol-lowing out" of US manufac-turing. The study is almost totally negative about the impact of these collaborative

trend for US companies, workers and the national economy are uniformly bad joint ventures with Japan give away our future," say Reich and Mankin in a Harvard Business Review.\* They argue, in effect, that US companies which lock themselves into these deals are presiding over their own

Reich and Mankin concentrate on the auto industry, machine tools, consumer electronics and semiconductors but argue that their conclusions apply to most sectors where the Japanese either produce in the US or act as major component suppliers.

appear, however, to examine the value of local content arrangements or the severe pressure on companies to Nor do they consider in any depth what US companies can learn from Japanese skills in manufacturing management, though they are certainly very pessimistic on

Japan's

plants in the US and the operation of most joint Japanese-American ventures are eroding engineering skills in the US and will permanently enfeeble its manufactur-ing base.

These collaborative deals have been designed by the Japanese to protect higher Japanese to protect higher paying production jobs, and the most complex and higher "value added" elements of manufacturing, from being exported from Japan. And while Japanese companies are willing to establish basic research, assembly and marketing in the US, they are using collaborative deals to strip American project enginstrip American project engineering and production process skills out of the US.

should develop an active "industrial policy."

ventures.
"The implications of this

Figures from the Japan Economics Institute show there are more than 520 plants in the US in which Japanese investors own a majority stake.

this issue. The most significant com-

petitive gains can be made from learning about manu-



facturing process facturing processes, Reich and Mankin argue. "But the result of the new multinational joint ventures is the transfer of that learning from the United States to Japan."

"The Japanese investment in US factories gives the Americans experience in component assembly but not component design and production. Time after time the Japanese reserve for them-selves the part of the value-

A study suggests that US companies are the losers in joint ventures. Nick **Garnett reports** 

added chain that pays the highest wages and offers the greatest opportunity for con-trolling the next generation of production and product technology." One of the nubs of Reich and Mankin's thesis is the snowball effect of all this during times of rapid tech-Japanese companies continue to build the most complex components using complex production processes their US partners have little incentive

and production engineering,
"The Japanese pariner
continues to move down its production learning curve by making products destined for US markets. Thanks to these joint ventures and coalitions, the efficiency gap between US and Japanese manufactur-ing processes will continue to

to train workers in product.

Acknowledging the Japanese willingness to build laboratories in the US, Reich pondenso's research centre in Detroit for automobile elec-tronics and ceramics, and that of Nakamichi in California or Nakamichi in Cantorna for computer peripherals. Most major Japanese com-panies also fund research at American universities, with first refusal in licensing any products or technologies developed there. But the study claims that the results of all this research are almost exclusively returned to Japan for commercial exploitation.

In the auto industry the academics argue that in the deals between General Motors and Toyota, Chrysler and Mit-subishi, and Ford and Mazda, the US vehicle builders are delegating (or will do so) all plant design and product engineering responsibilities to

the Japanese partners.

Machine tools tell a similar story. US companies were unprepared for the technological advantages of the late 1970s and 1980s. They could only keep their heads above water by selling products manufactured in Japan. By 1983 more than three quarters of all machining centres sold in the US were made in Japan though often with

American nameplates. Even US companies that dereloped new machine tools now look to Japan for manufacturing — a new machine from Acme-Cleveland jointly developed with Mitsubishi is to be made in Japan.

A drawback of the study is that it makes no reference to the success of the West Ger-man machine tool industry. which has kept much more of its independence, does most of its own manufacturing, and in many products still out-exports the Japanese.

The study concludes that, by falling in line with the long-term strategy of the Japanese, US companies have sold themselves too cheaply, putting themselves into an acutely valuerable position. US companies sales and distribution agreements with the Japanese will become less and less profitable, the authors argue, because the value provided by the US partner is potentially replaceable. Hav-ing gained access to its customers, the Japanese can decide to set up their own distributive networks or squeeze the US distributors'

profit margins.

Reich and Mankin make no companies could take are doing — to make themselves more competitive as producers on US soil. Instead could play a major role by creating incentives for companies, no matter where they are headquartered, to invest in complex production in the US using American workers and engineers. This would include subsidies for investment in production experience to make up diminished shortterm profits that arise from such investment.

\* Harvard Business Review March-April 1986. Reprint

### Flexibility: long way to go

"IF IT'S running it's mine, if it's broken it's yours." For long in British industry, that kind of thinking has typified the all staff eating in the same division between maintenance and production. Changes are occurring: "flexibility" is now a key labour market concept—whereby different forms of peripheral workers are used to supplement core workers. It also involves occupational changes: specifically, the relaxing or abandoning of demarcations in industry.

Incomes Data Services, the

pay research organisation, is to publish shortly the first pay research organisation, is to publish shortly the first lengthy, detailed, outside study of how far-reaching and how important is this breakingdown of barriers.

down of barriers.

"With very few exceptions." it concludes, "the process of achieving full-scale flexibility has hardly begun in general, progress has been limited. The gap between the few advanced companies and the large majority is considerable."

Demarcation, as practised and castigated in Britain in the 1960s, has for some time been fading away under the combined pressures under the combined pressures of recession, new technology, and competition, the study suggests, but that does not mean that the more recent changes happening in a few companies—and it is only a few so far are not significant.

Flexibility is one of a number of radical changes in industrial relations practices others include single-union arrangements, strike-free deals and full single-status arrangements - which have implications for both managers and

The study looks at change in a range of companies, from Sony to Anglesey Aluminium, from Westland to Nabisco. Many have been scrutinised previously, though in particular, it looks in detail for the first time at Mars in Slough. Here, the company - which

the contribution they made.

Mars also recruits people with specific trades for direct production jobs: "tradesmen normally get job satisfaction from the repair and maintenance of machinery," says a Mars manager in the report. "Now they have to get that satisfaction from keeping their machine at a high level of efficiency, monitoring it carefully, getting more out of it thily, getting more out of it than someone else. Some people who were tradesmen can man-age this, some can't."

A further innovation in the company is the computerisadown on the time wasted by chargehands (sometimes as much as 80 per cent of their time) as they tried to find a fitter. "After some initial "we introduced VDU terminals instead of the old log book. Anyone can key in a request for a job; it flashes up on the screen. A fitter key in that screen. A fitter keys in that he'll take it on, and then feeds back into the machine when he's done it. You even end up

so far struck. IDS reaches a number of broad conclusions: Change has barely started. Many of the most impressivelooking agreements are really only enabling deals, establish ing the possibility of change.

involves paying more — some-times considerably more. Change in the workforce

Change in the workforce requires change in management too. "Management's restrictive practices and demarcations," the study says, "for example between production and engineering, need to be eliminated as the pre-condition for any major change." ● Flexibility is changing the role of the front-line manager perhaps more than any other single job. The foreman's role is being realized by colf super-

is being replaced by self-super-vision or even by automatic supervision (on-line monitoring of output and computerised fault-finding), requiring in its turn better and more flexible

managers.

Simpler bargaining arrangements—often with only a single union—are often seen to be a virtual necessity.

wirtual necessity.

While the dramatic examples of flexibility are nearly all in factories constructed since the early 1970s, a greenfield site is neither a pre-condition nor a guarantee of change.

Real flexibility involves a commitment to continual

with a job history.

"Everyone loved it, and the chargehands found that the more mundane side of their job had been removed."

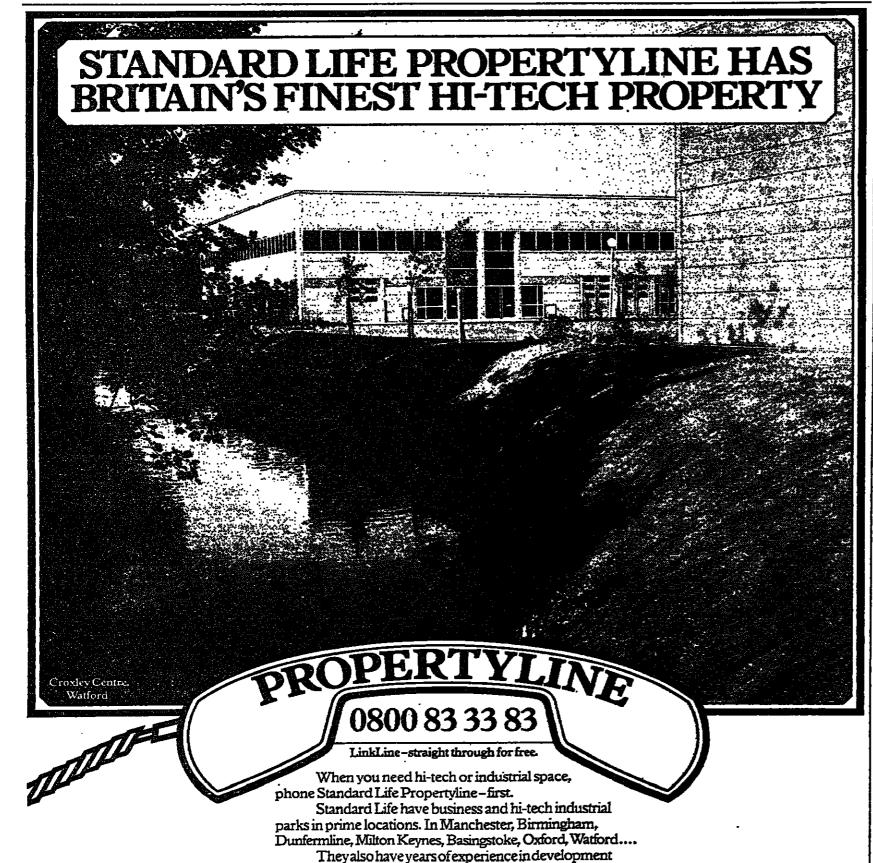
From its examination of most of the new flexibility deals of years.

Herefor a precondition and a guarantee of change.

Real flexibility involves a commitment to continual change: not a one-off set of alterations to current practices, but the ability to respond to changing needs over a period of years. Flexibility at work

study No. 360, April 1986. IDS, 193, St John Street, London ECIV 4LS. By subscription.

Philip Bassett



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purpose-build for you, should you require.

Since their inception the S-class and SL have always been the total embodiment of the classic Mercedes-Benz ideal that began the first century of motoring: the best, or nothing.

A fine balance of what is possible, what is desirable and what is expected. Many things are now feasible that were

A change of pace, but not a change of direction. Just emerging when the second generation S-class went into production over six years ago.



THE NEW MERCEDES-BENZ'S-CLASS, SEC & SL MODELS

And today's S-class and SL models demonstrate how the new thinking that Mercedes engineers have taken on board relates to real progress rather than the dictates of fashion.

For this top-of-the-range series a completely new six-cylinder 3-litre engine has been developed alongside a new 4.2 V-8 unit and the proven 5 litre engine.

The new engines are more powerful and more silken than before.

Fine tuning of the S-class suspension has resulted in an even higher degree of smoothness and stability (rear seat passengers are now in for a quieter and more stress-free ride than ever).

The exterior, too, has become subtly more in tune with the air flow.

The observant will notice a deeper front spoiler, smooth side mouldings, and integral fairings that reduce drag and lift forces still further.

In all, the new S-class and SL range has a specification that goes significantly beyond the previous one.

Yet, reassuringly, very little appears to have changed at all. Which proves that consistency of direction is the surest way of achieving progress.



HE NEW SE & SJ. HAVE 3 ENGINE OPTIONS; 300, 420 OR 500. THE NEW SEL & SEC HAVE 2 ENGINE OPTIONS; 420 OR 500. LATER THIS YEAR, 560 SELS & SECS WILL BE AVAILABLE.

#### **TECHNOLOGY**

SINGAPORE has set out on an ambitious course to become a world-class centre for research into artificial intelligence (AI). But, it faces a number of bar-riers if it is to achieve its goal.

T. C. of Sal. of Charling States and Salar

The country has wide-ranging plans to upgrade its computer expertise from mainly parts assembly to the design of "thinking machines" at the very forefront of computer tech-

nology.

Central to this strategy is Singapore's new \$\$21.5m Information Technology Institute, due to be completed in October. This will serve as a centre for applied research and develop-ment in all aspects of informa-tion technology. It will closely collaborate with industry, and artificial intelligence rates as a

top priority, with its own spe-cial laboratory.

ITI will also gather together research groups currently scattered throughout govern-ment agencies. In addition it is planned to launch new under is planned to launch new under-graduate programmes for AI training, and strengthen post-graduate research by inviting the best of foreign experts to

The aim is to turn Singapore into a first rate centre for computer software design and win a share of the lucrative market in computer programs. At the same time Singapore mandarins

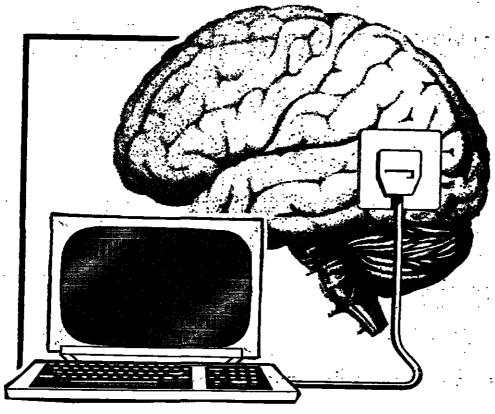
knowledge broker."

Artificial intelligence volves the application of the principles of human thought to computers. This converts Artific computers. This converts simple "number crunchers" into thinking machines capable of matching or even bettering the best human experts in cer-

sales of AI hardware and software topped US\$700m, in 1984, according to a new study by merchant bankers Rothschild. The new found commercial success of AI is largely due to innovations in software called expert systems. These sophisticated software programs endow computers with the ability to mimic human thought. Expert systems are not "free" thinkers. They work to set "rules," compiled from interviewing human experts about how they think. However, the mechanical boffins also depend on "heuristic" reasoning, sometimes called the art of

good guessing.

Like human beings, the thinking computer builds up knowledge through experience. This way t



# same time Singapore mandarins see AI as a tool for boosting industrial competitiveness, and a key to its cherished aim of becoming a "knowledge centre" for south-east Asia. Dr Yeo Ning Hong, Minister for Communications and Information and himself an expert in AI, told a recent gathering of AI experts that artificial intelligence "is essential to our role as a knowledge broker." Singapore puts brainpower behind thinking machines behind thinking machines

enables it to tackle complex problems which cannot be solved using conventional com-

Artificial intelligence is further advanced in the West and in Japan, where these expert computers help treat cancer, search for mineral and oil deposits, and help run steel refineries.

In the business financiers are beginning to rely on expert systems in a

way to compete against bigger advisory panel of international

Stephanie Yanchinski authorities.
The final programme remains on the country's ambitions plans to upgrade its

computer expertise

industrialised countries, by carving out special market niches. Prof Edward Feigen-

financiers are beginning to rely on expert systems in a variety of ways, from planning long-term capital investments, note speaker at the recent required decisions on equity dealing. One prototype program even assesses the political risks attached to international investment projects for wary insurance underwriters and international loan merchants.

However, artificial intelligence could be equally important to newly industrialised countries (NICs) rimming the poore.

The "NICs" see it as one beginning to nices. Prof Edward Feigen port more efficiently, for example, and save many thousands of dollars a day.

Singapore at the recent meeting of AI experts in its share of the future market of the

The final programme remains to be worked out. But it is likely that ITI scientists will apply AI to solving practical problems in established industries such as shipping, transportation and financial servicing, as well as the growing telecommunications business.

munications business.

Expert systems would be able to organise container loading and storage at Singapore's busy port more efficiently, for example, and save many thousands

tailored to fit a variety of industrial applications. At the moment it costs between US\$60,000 and US\$80,000 to purchase which could purchase a single copy of Al software.

For instance, Rubicon, another product of Singapore's AI research under develop-ment, is a generic product for automating the production of capert systems for many in-dustries, including transporta-tion and financial servicing. Singapore is also eyeing the huge untapped market for Chinese language programmes. At the ultra-modern Institute for Systems Science, IBM's Dr Ifay Chang is leading a small team which is close to perfecting a Chinese version of Prolog, a nonlight Al software which a popular AI software, which will find applications in design-ing Chinese expert systems.

However, China itself offers From competition, says Edward Feigenbaum, as interest in artificial intelligence increases. Two years ago the Chinese Association of Artificial Intelligence boasted over 1,000 members

members.

Singapore faces other hurdles in developing AI into a fully-fledged business. Dr. Don Walker, computer scientist at Bell Communications Research

walker, computer scientist at Bell Communications Research, points out that there is such a worldwide shortage of AI experts that American industry "has had to resort to inhouse training. Singapore will have even greater difficulties in finding the right people."

Dr Vincent Yip, head of the Singapore Science Council, disagrees, saying that the foundation for AI training has already been laid through joint research projects between Singapore research institutes and IBM, Britain's ICL and the Japanese company NEC.

Another problem, that of where Singapore will find a market for its AI products, may be more intractable, however. The region is not ready to use AI, and local industry, with the

AI, and local industry, with the exception of aerospace, is sufferexternion of aerospace, is surer-ing during the current reces-sion. It can cost a company between US\$1m and US\$2m to develop and implement an expert system. Singapore's Minister of Com-munications. The Vac sures the

munications 'Dr Yeo sums 'up the dilemma of Singapore, and other small countries, when he says that the "biggest barrier we face is the lack of availability of AI users" which could create a demand for products and justify the expense of training people to supply them

Consequently, David Waltz, senior scientist at Thinking Machines Corporation, one of the new American AI ventures, says that despite Singapore's advances in AI research full The most lucrative applica- commercial exploitation is three tion involves developed generic or four years down the road.

### ICI set to forge data exchange links with its customers solvent-based epoty coatings in that they have low shrinkage after curing, are compatible with most surfaces used in electronics, and age well. They also produce no gases after curing and are thermally stable.

ELECTRONIC EXCHANGE of data is to be introduced between Imperial Chemical Industries (ICI) and 100 of its customers within the next two years, using the Tradanet service offered by International Computers

(ICL).

Tradanet, which ICI will use internally as well as externally, allows 24-hour, 365-day data exchange from computer to computer, regardless of manufacturer or the communications protocols used. Cost is only a fraction of that normally incurred—an invoice for example, costs only 4p to send by Tradanet.

The system speeds up

The system speeds up orders to suppliers and also requires an organisation, to maintain only one confinum-cations link with all its

ustomers. Apart from ICFs eight UK divisions, ICI Americas, with annual sales of \$200, will be the first overseas subsidiary to use Tradauet ICL is in London on 01-788 7272.

DOUBLED DATA over tele-DOUBLED DATA over telephone lines becomes possible with a new data compressor offered by UK company Racal Milgo of Hook, Hampshire.

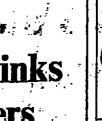
The new model 7300 is compatible with a wide range of data process and is available in single and four channel versions. High-speed microcessors and sophisticated encoding and decoding techniques are used to cut the niques are used to cut the This allows, for example, a 19,260 bits per second data stream to be sent over a conventional 9,600 bits per second system.

EPOXIDE COATENGS that cure within a minute under ultraviolet light have been formulated at Sandla National Laboratories in Albuquerque, New Mexics, in the US. (565) 844 8065.

The material is an alternative to existing anothers.

tive to existing products which are solvent-based and which are solveni-cased, and can take hours to cure and dry fully. It uses no solvent and can be brushed, dipped or sprayed on to protect any clean surface, in thicknesses of up to 0.005 in.

The coatings, which have a nen-proprietary formula, have impercant advantages ever



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reller units in which the rollers move laterally with respect to each other, squeezrespect to each other, squeezing the shrimps from their shells. Metal parts are all from stainless steel and there are some 4,000 plastic components made from Du Pont Delrim (acetal homopolymer) and Zytel (polyamide resin), giving good stiffness at high temperature, improved wear and dimensional stability.

DATA COMMUNICATIONS. will be the forte of a new company, Dowly Information Systems, formed by uniting two existing Dowly group companies, RFL Systems and

companies, RFL Systems and Steebek Systems. In an initial project, DIS In an initial project, DIS will manufacture under licence an X25 concentrator design from Cableshare, the Canadian company. These devices take the data from 16 data lines and arrange it in "packets" for enward transmission over the X25 packet switched network. The new company is in Newbury, Berkshire, UK, on 6635 23469.

PNEUMATIC transporters, able to handle bulk powders and minerals at 400 tonnes per hour over distances of 1,500 metres, are becoming available in the UK from Sedair, part of NEI Inter-national Combustion in Derby

national Combustion in Delay (0332 760223).

The systems have been developed by NEI John Thompson (Australia) and a demonstration loop is available at NEI's Derby works.

A DESALINATION plant able to produce 45,000 cubic metres of fresh water from the sea every day — the world's largest — is under construction in Bahrain. Financed by Saudi Arabia, the plant is being built by a consortium of Korean and Rritish companies and will use Bu Pont's "Permasep" permeators.

permeators.

The permeators contain fine, hallow aramid fibres and when sea water is pumped at high pressure, salts are removed in the walls and the desalthated water flows down the inside of the fibres for collection. A second pass in a further set of permeators reduces the chloride levels to loss that 200 parts per lm.



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uses a sensor monitored weir design to dispense spirits at high accuracy in 1.5 seconds, which is cisimed to be at least eight times quicker than traditional devices.

than traditional devices.

The system also has an onboard microcomputer which
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sold and allows lower stocks
to be held. In addition,
Optionic gallele characted to
an external computer, printer,
or to an electronic till. Available in six or eight station
(bottle) form the system can
be supplied in coin ar card
operated varnious for use in
botchs.

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The shrimps are cooked on a belt for up to two minutes and fibia path through 12

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FROM NEC.

Computers and Communications

#### **UK NEWS**

Peter Riddell, Political Editor, reports on the birth of a new campaign style

### Council's stocks used up in tin settlements

tional Tin Coulted (ITC) have Exchange, in which it was awarded feached out-of-court settlements on their claims against the price support body, which precipitated Magainst has fifty festarted affi-

which has been brought against the council since the collapse of efforts to rescue the tin market lest month; a CIO.6m claim by Standard Chartered Bank and a C3-25m award for Maclaine, Watson, the metal trad-

from the governments."

Under its settlement, Maclaine,
Watson is understood to have been awarded warrants for 910 tonnes of tin, worth around £3.46m at yesterday's free-market tin prices. This follows arbitration proceedings un-

TWO CREDITORS of the Interna- der the rules of the London Metal

their claims against the prace support body, which precipitated the fin crisis last October by defaulting on gross debts of 1990m.

The earliements involve two that a street which covered a total of about 123m. Standard Charter and the street which in tin and each, tered is being paid in tin and cash, but declined to comment on the amount it has accepted in settle-

> However, the FTCs free in stocks - that is, stocks not committed under warrant or tied up in an-

Maclaine, Watson, the first trading subsidiary of the US investment house Drexel Burnham Lambert.

They mean that the ITC has now apparently used up all the uncommitted tin stocks which it has available to settle claims against it. Any further claims by other creditors will thus have to be pursued by string obe or more of the ITCs 22-member governments.

Other creditors which have served writs on the council include Arab Banking Corporation and the Bank of Nova Scotia, while Kleinwort Benson is initiating arbitration proceedings.

"Now that the unencumbered metal is gone, it's all over," said the representative of one party to the lawsuits. "The real battle now begins over trying to recover money from the governments."

Inder its settlement, Maclaine, it has assimat the ITC.

#### Jail staff lessen threat of industrial action

BY DAVID BRINDLE

LEADERS of the Prison Officers' is find the POA's fears over negotia-Association (POA) said last night tions of staffing levels under the that the Government had moved part of the way to meet their con-cerns over staffing levels and to The union said it was still seek-

part of the way to seek their coircerns over bashing levels and to
avert the threatened industrial attion in Jails in England. Wales and
Northern Ireland.

This fallowed a leaser to the union
from Mr Douglas Hurs, Home See
fetary, in which he apparently sattion would not be lifted.

#### Labour updates image to 'put people first' WILL nine-year-old Miss Roberts from south-West Landon do as presenting an up-to-date image of with advertising and other promo-Labour in the style used so success- tional advisers. This work shows

much for Labour as the 60-year-old former Miss Roberts from Grantham - now the Prime Minister -has done for the Conservatives? Yesterday the pretty and charm-ing younger Miss Hannah Roberts was launched as "Labour's new

was latinched as "Labour's new star" - featuring on party publicity material and in last night's party political broadeast - after being kiased and carried around a press

kiased and carried around a press conference by Mr Neil Kinnock, the Labour leader.

Her appearance inaugurated Labour's Freedom and Fairness Campaign which is intended to present, the modernised priorities and fresh thinking that had gone into Labour's new package of policies, as Dr Jack Cunningham, the campaign chairman, but it yesterday.

The emphasis is very much on

Review of

tactics in

print row

PRINT UNION leaders were meet-ing last night to review tactics in their 13-week-old dispute with

News International, in which 5,500

print workers were sacked when

the company transferred produc-

London to a new high-technology printing plant in Wapping, east London.

The meeting, at the headquarters of the Trades Union Congress (TUC), came after the move by Sogatist, the general print union, earlier this week to defer a decision on whether or not to purge its

The contempt arises from the union's instruction to members in the wholesals trade to "black" News International's sides - the Sun, the News et the World, The Tistes and the the destruction

Sogat's til'im assets have been seized, and the union is finding it increasingly difficult to function. Last week, News International told

the unions it was willing to aug-ment its effer to give the unions its central London plant for the pro-duction of a Labour movement

the Sunday Times.

By Helin Hague

There are none of the familiar Labour motifs in the leaflets or posters. Even the colour red, and the red flag itself, have been banished - apparently temporarily, as both will reappear during the elec-tion campaigns. Instead, the mes-sage, as unveiled yesterday by Mr Kinnock, is that Labour is concerned with everyone, but just the unemployed, the sick, the poor and the disadvantaged. Under the slogan "Putting people

first," the campaign aims at highlighting policies of immediate con-cern to ordinary people. This is based on market research carried out for the party and discussions

BY DAVID BRINDLE, LABOUR STAFF

THE VIRUS of the so-called British

disease lies dormant and ready to

re-emerge to wreck the UK's prog-

ress towards a true enterprise econ-

omy, Lord Young, Employment Sec-

Many companies needed to

achleve a "quantum leap" in em-

ployer employee relations to break the stranglehold of a national lega-

cy of enmity between the two sides

if industry, he said last night in the

Stockton Lecture at the London

Lord Young's speech was the first

occasion since becoming Employ-

ment Secretary last year that he had dealt at length with the ques-

THE GOVERNMENT'S policy on

interest and exchange rates is the

subject of growing dissatisfaction among members of the Confedera-

tion of British Industry (CBI). Sir James Cleminson, CBI presi-

dent, said yesterday that the Gov-

retary, has warned

Business School.

BY HAZEL DUFFY

fully for the Tories by Sastchi and that, while a majority of the public Saatchi, the advertising agency, be- regard Labour as having the best fore the 1979 and 1983 general elec- policies on education, housing and other social programmes, many voters still see Labour as outdated and stack in the 1960s and 1970s as compared with the Liberal and Social

Democratic Alliance. Indeed Dr Cunningham talked yesterday of an appeal which was more bright, forward-looking and centident in appearance."

An immediate target of the cardpaign is skilled working-class home owners who deserted Labour in large numbers in the last two genteral elections. For instance, lest night's party political broadcast was aimed especially at working wemen with children. It referred to the provision of hursery education for under-lives, the establishment of a na-

Jobs minister sounds warning

on industrial relations legacy

strongly personal, rather than ne-

cessarily departmental, view.
Dispensing sharp criticism of at-

titudes and practices of both man-

agement and unions, the minister

traced back to the late 19th century

the roots of what he termed the "art-

ti-enterprise" thrust of change in

financial system with little concern

for small businesses and new enter-

prises; an industrial system which

(EMS). The ideal opportunity for joining would have been just after the budget.

Since that chance had been

missed, he said that Britain should

join as soon as possible, and eer-tainly before taking over the presid-

**Employers press case for EMS** 

sought pretection from competition

tion of industrial relations. It was at home and abroad and an indus-also said in Whitehall to be a trial relations system which put a

the British economy.

These roots were: An education tail sector, UK companies all too ofsystem which had little contact ten still reflected this heritage and

with, and no regard for, industry; a displayed inability to generate com-

ohtronistien.

The whole of our society became

anti-industrial. Our society wor-

shipped at the shrine of the gifted

amateur and gentleman," Lord Young said. Though there were not-able exceptions, such as Marks and

mon commitment among managers

and staff - a goal as palpable as

breaking the sound barrier in avia-

dence in the business community in

going for new export markets, and would be particularly helpful for

smaller companies which find it dif-

ficult to cope with the volatility of

European exchange rates as well as

that of sterling against the dollar. Joining the EMS would also have

the effect of bringing down interest

with grants.

lined in the leaflets are crime pre- tions. vention grants to pay for stronger fewer food additives with proper labelling, more help for first-time Last night's party political broad-house buyers and a greater say for parents in education and tenants in few days with a mass leaflet drop in

Mr Kinnock, asked whether all this amounted to A Mark 2 version pers financed by leading trade of the Social Democratic Party: ar unions, and by speeches on social gued that while the Social Democrats aimed at desirable objectives, Some of the far-left on Labour's costed.

tional network for cervical cancer national executive are suspicions of screening, the danger to children's the campaign, which has been prehealth from lead in petrol, and to pared by a small group closely assobelping people improve their homes ciated with Mr Kinnock, in particular Mr Peter Mandelson, the direc-Among the specific proposals out- tor of campaigns and communica-

The hard left are worried about a locks, glass and fencing, shorter dilution of the party's programme waiting lists in the health service, and fear that image will matter

more than substance. a number of key constituencies, by advertisiments in regional newspapolicy by Labour parliamentary.

At yesterday's launch, Dr Cunthey were unwilling to will the ningham and Mr Kinnock were means, as was shown by their record on local councils.

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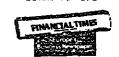
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A House of Commons statement,

Swan Hunter is being told that it may still obtain the contract for the package is also in line.

The decision in principle in fayour of Harland & Wolff was taken last week.

#### Harland wins naval ship order

HARLAND & Wolff, the state owned Belfest shipyard, has ween the bitterly fought battle with Swan Hunter on Tyneside, north-east England, for the contract to build a naval support ship worth over

After lengthy delays, the Government has decided that an order for only one ship will be placed now. rather than for two ships as previ-

expected later this week, will confirm that the order will go to Harland & Wolff in preference to the re-cently privatiser Swan Hunter on the grounds of both price and design. This is despite allegations by MP's in north-east England that the Harland & Wolff bid was not fair

second naval support ship, known as an auxiliary oiler replenishment vessel, provided that its price can be reduced to match that of Harland & Wolff and that its design

### For further information contact: Intercontinental S.z.l. Milan Tel: (02) 688 7041 Telex: 330467

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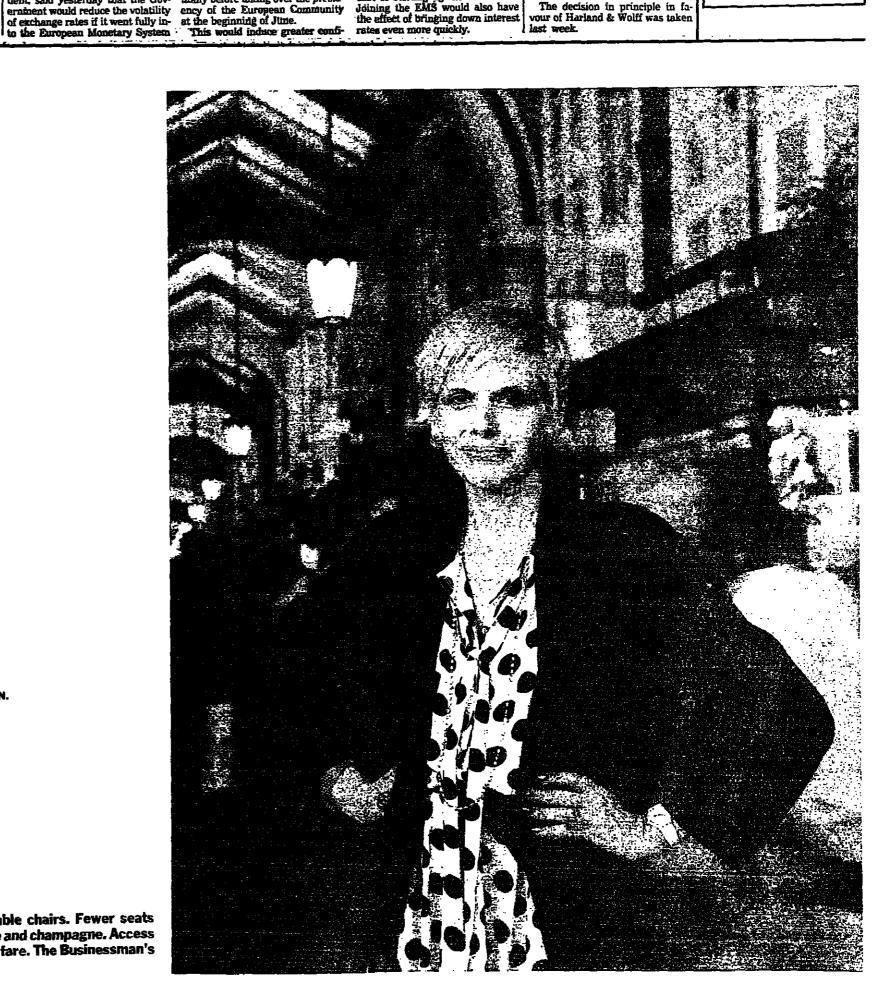
The more I travel, the more I appreciate SAS.

There is only one thing I really miss. I wish they flew to more places."

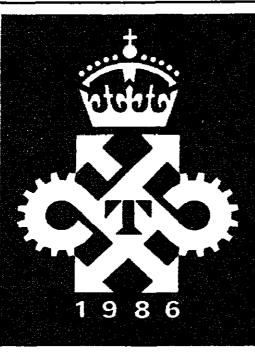
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#### **UK NEWS**

### Directors' earnings 'rise to average of £42,000°

Britain, shows that on average di-rectors earnings rose over the 12 months to January by 9.7 per cent to £42,099. Other managers had a 9

Meanwhile, overall earnings rose by 7.3 per cent and the retail price

index by 6.1 per cent.

The typical chief executive's gross earnings – including cash botimes better off in gross terms.

In net terms, allowing for national insurance contributions and tax

published yesterday.

The survey covering 23,411 managerial staff in 366 manufacturing and service companies throughout Britain, shows that on average at 1,000.

The average net pay of managers other than directors, calculated on the same basis, was 1.9 times higher than that of the male manual worker – virtually the care of the control of the male manual worker. ential that prevailed under the La-bour Government 10 years before.

While the directors' and managers' average pay rises in 1985-38 outstripped the increase in overall earnings, the difference was accounted for by incentive bonus payments rather than rises in basis

gross earnings - including cash bo-nusses as well as salary - were £61,547 in January, or 6.8 times the male manual moves of 8.8 times the who launched the survey in London yesterday, said that about two in ev-ery five of the managerial staff covered by the study were now paid partly by bonuses tied to their indi-vidual performance, company refor a married person with two chil-sults or a combination of both-

DESPITE pay rises averaging 9 per cent for British managers last year, the typical chief executive's difference worker's £7,246. In 1975 the chief in general should be paid in line worker's £7,246. In 1975 the chief in general should be paid in line typical chief executive's difference of their emential over the male manual worker. had 4.5 times more take home pay, with the performance of their employing organisations. It was the 1975, according to the British Insticreases below the rise in prices with the need to offer sufficient rewards to attract able people into

> Even so, the generality of man agers - particularly in industry are still relatively poorly paid in contrast with the glittering prizes of the City of London and much high-

"Unless this position is remedied the career of management will fail to attract those of the highest cali-bre and the whole country will pay

the price."

BIM National Management Salary Survey 1986, including Small Business Review. Available from Remaineration Economics, 51 Pont-

### City criticised for reluctance to invest in tourism industry

THE APPARENT reluctance of the UK financial institutions to invest in the tourism industry was criti-cised yesterday by Mr Duncan Bluck, chairman of the British Tourist Authority and of the En-TOURISM

"The prevalent view of tourism in the City (of London) appears to be that it is a lightweight, high risk and low return industry," he said.

Mr Bluck was speaking at the start of a two-day Financial Times pects for tourism in Britain. He compared the difficulties of forecasting the future with the "exact science" of hindsight.

"Some events, like the royal wedding in July, will give us good cover-age on television and in the media. Others, like the recent terrorist attacks in the eastern Mediterranean Libya, will undoubtedly have an adverse effect on tourism flows."

Mr Bluck said that he was hopeful that Britain would not suffer too much "from the predicted relac-tance of Americans to travel to Europe." He said: "In any event, we have been wise enough to spread imise the effect of a downturn in any one tourism market - even though North America is, of course, our biggest single market."

Last year, nearly 14.6m visitors came to Britain, spending £5.5hn. We forecast visitor traffic from overseas to be at least 20m by 1992," Mr Bluck said. "If we assume an avFINANCIAL TIMES CONFERENCE

erage annual inflation rate of 5 per cent, then we could aimost double earnings from overseas visitors by

planning and marketing director of Trusthouse Forte, chaired the conference. He regretted the opportu-nity lost to the tourism trade in the sinking of the Shops Bill," which would have ended restrictions on

relaxation of alcohol licensing laws in England and Wales, he declared.

of Horwath & Horwath, hotel consultants, gave an economic break-down of the importance of tourism cluded Mr Max Dolding, a leisure cluded Mr Max Dolding, a leisure to the British economy. On his own estimates, he found that direct employment in UK tourism last year totalled 1.05m, a rise of 20,000 employees over the year.

British tax structure helped or hin dered the UK tourist industry. "To the extent that taxation is a

factor at all, I believe our system encourages investment from abroad in the hotel and tourism in-dustry," he said.

"Whether or not one can go on to

say that a flood of investment from abroad is good for British tourism

Scotland and two Edinburgh hotels quired a total rethink. A hotel for good if you want to make any mon winter facilities had to be created.

Sunday trading.

The time must also have come for relaxation of alcohol licensing laws ture capital role in the growth of sure capital role in the growth ro Central government and local au- would appear to indicate that, while thorities could be more positive in there is increased activity on the the planning approval process tourism and leisure company development, Mr opment side, there is a proportion-Goldsmith said and the said specific decreasing amount of both Professor Rik Medik, a director private and institutional finance be of Horwath & Horwath, hotel con-

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analyst at James Capel & Co, speaking on investment in the tour-ism industry in the UK, and Mr John L. Broome, chairman and chief executive of Alton Towers. He Mr Jon Hills, a partner in Pan-nell Kerr Forster, discussed if the including the theme park,

This announcement complies with the requirements of the Council of The Stock Exchange



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Application has been made for the 81/s per cent. Bonds due 1996 to be admitted to the Official List by the Council of The Stock Exchange subject only to the issue of the temporary Global Bond. Interest is payable annually in arrear on 14th May, the first payment being made on 14th May, 1987. Particulars in respect of the Bonds are available in the Extel Statistical Service and may be obtained during usual business

hours up to and including 25th April, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 7th May, 1986 from:

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Wood Gundy Inc.

Greenwell Montagu & Co. **Bow Bells House Bread Street London EC4M 9EL** 

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23rd April, 1986



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#### NOTICE CONVENING THE ANNUAL GENERAL MEETING

The Shareholders are hereby notified that the Annual General Meeting will be held in the Conference Room of the Company's Headquarters in Via Bertola 34, Turin, at 9. a.m. on April 30, 1986 and, if necessary, a second meeting will be held on May 7, 1986 at the same time and place, to discuss and resolve upon the following:

#### AGENDA -

- 1. Board of Directors' Report and Board of Statutory Auditors' Report on the Financial Statements as at December 31, 1985; pertinent motions.
- 2. Remuneration to Auditors for the financial year 1985.
- 3. Appointment of a member of the Board of Statutory Auditors; indemnity to Directors

The Shareholders shall have the right to participate in the Meeting provided that, at least five days before the date established for the Meeting, they have deposited their share certificates with the company's Registered Office, Via San Dalmazzo 15, Turin, or Via Flaminia 189, Rome, or with STET - Società Finanziaria Telefonica p.A., Via Bertola 28, Turin, or Corso d'Italia 41, Rome, or with any other duly-authorized department in Italy.

Such a deposit could be performed as well with the following:

Banca Commerciale Italiana - 42, Gresham Street -- London: Banco di Roma - 14/18 Eastcheap

Credito Italiano - 17, Morgate

Banca Commerciale Italiana - One Williams Street - New York: Banco di Roma - 100. Wall Street

Credito Italiano - 375, Park Avenue

Banca Nazionale del Lavoro - 26, Avenue des Champs Elysées --- Paris:

- Frankfurt Istituto Bançario S. Paolo di Torino - Schillerstrasse, 26 am Main:

For the Board of Directors

Gruppo IRI-STET

75

#### **UK NEWS**

### Japan to keep limit on share of car market

BY JOHN GRIFFITHS

UK AND JAPANESE motor indus- to export heavy commercial vehitry representatives ended two days of talks in London yesterday in which Japan accepted continuation of the "gentlemen's agreement" that restricts the Japanese share of the UK new-car market to about 11 per

The Society of Motor Manufac-turers and Traders told its counterart, the Japanese Automobile Manufacturers' Association, that it expected the new-car market this year to drop slightly from last year's record level to around 1.82m units, with a further fall to 1.785m units in 1987.

Despite suggestions from Nissan's privately owned UK importer, Nissan UK, that it would have 135,000 units "available" for sale this year - an increase of nearly a third over 1985 - it was made clear that no change in the gentlemen's agreement was in prospect to accommodate such an increase. JAMA also confirmed that it had

no intention at present of seeking

cles - those of over 3.5 tonnes - to the UK. The informal industry-toindustry agreement, now in its 11th-year, restricts commercial imports to vehicles under 3.5 tonnes and to a share similar to that allowed for

One positive note for the UK's components industry arose from the talks. Mr Taskashi Ishihara, president of JAMA, said the strong rise of the yen presented opportuni-ties for "worthwhile" contacts be-

UK component makers have fre-quently voiced disillusionment with previous trade missions to Japan. setting up by Nissan of its car as-sembly plant at Washington in north-east England - which produced its first pilot production vehicle yesterday - appears to have im-

### Biogen patents arthritis drug in West Germany

BY DAVID FISHLOCK, SCIENCE EDITOR

Biogen said yesterday that it hoped to bring its new treatment to the market in Germany this year, at a cost comparable with that of present drugs for rheumatoid ar-

Mr Jim Vincent, Biogen's chaircompany also expected to secure patent protection on this novel use of interferon as an anti-inflammato-ry drug in the US and Britain. put the observation on a more ry drug in the US and Britain. scientific footing, he said. This is The company had already tried making all of us much more of interferon as an anti-inflammato-

A TREATMENT for rhannatoid arthritis involving the latest form of in the US and Germany, he said. Its pers should be published this summerieron, gamma interferon, has been patented in West Germany by Biogen, the international biotechnology research company.

The basis of its clinical trials has been the treatment of patients already being treated with another

tion, even though it had no scientific basis at the time to account for the relief which patients experienced. Mr Vincent said.

man and chief executive, said his had mounted a broader research programme into anti-inflammatory mechanisms, and was beginning to

ready being treated with another anti-inflammatory, so that a judg-ment can be made whether the ad-Biogen had pursued the observaditional use of gamma interferon produces a significant improvement. Mr Vincent claimed that it was the stiffest test that a drug could be given.

Dose levels administered in the trials had been well below the levels used in treating cancer patients at doses where side effects were proving "minimal to non-existent."

#### Cyanamid backs Celltech venture

BY OUR SCIENCE EDITOR

AMERICAN CYANAMID, the US chemicals and pharmaceuticals group, is spending £5m with Cell-tech, the British biotechnology research company, on the first phase parts of the patient American Cyanamid has a strong presence in of a major new initiative in cancer

The company is backing Celltech's ideas for a second generation sion has a range of drugs for cancer treatment and has been research-by genetic engineering instead of ing monoclonal antihodies for the being cultured from natural tissue, past four years.

The company says it is strongly The aim of these genetically

parts of the patient. American Cya-namid has a strong presence in Britain where it employs about 1,500. Its Lederle Laboratories divi-

committed to Celltech's ideas for a

new generation, and regards its Clim investment as a start to a longbring its first products to the market by the early-1990s.

Celltech already has strong connections with the Medical Research Council's Laboratory for Molecular Biology in Cambridge, where monocional antibodies were discovered in 1975, and which is still in the van-

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#### Fears of terrorist blow to tourist trade

BY KEVIN BROWN

FEARS OF European terrorism or Clarke told MPs: "At present there is a wave of feeling that it is of US tourists visiting Britain this not safe to visit Europe and this year. Mr Kenneth Clarke, the Pay- could lead in a drop in the number

Mr Clarke was replying at ques-tion time to Mr Robert Adley (Conservative), who said Americans seemed to consider Britain as a

ask the tourist authority to point travel trade representatives and out bluntly that if Americans really want an unsafe holiday surrounded by violence, the best thing to do is to go to Florida." is good and remains higher than in the US."

master General told the House of of visitors coming here.

Commons yesterday.

But I think that a concerted attempt to control terrorism, at airports in particular, will do more than anything else to reassure American visitors."

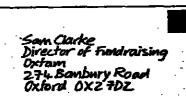
"cauldron of seething unrest." Mr Clarke said the British Tour-Mr Adley went on: "Would you ist Authority had briefed overseas Mr Clarke said the British Tourjournalists in an attempt to reassure them that four airport security

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in this year's budget the Chancellor has provided new opportunities for companies, and their staff, to support charities of their choice, at home and overseas.

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・ X・ X・ X Z X Z X Z X D A A・ 図 TO FIND OUT MORE, CONTACT ANDREW FULLERTON-BATTEN OR MALCOLM GLOAK, INVESTORS IN INDUSTRY PLC, 91 WATERLOO ROAD, LONDON SEI 5XY, TEL: 01 928 7822.

#### **UK NEWS**

### R-R lifts aero-engine profit to £81m ahead of flotation

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

ROLLS-ROYCE, the state-owned aero engine maker, earned a record pre-tax profit of £81m last year more than treble the 1984 figure of

The figures, which show that the company is gaining maximum ben-efit from expanding world markets, especially for civil engines, indicate that the business is strongly on course for privatisation early next

Turnover expanded last year to just over £1.6bn, about 14 per cent more than the 1984 level of over £1.4bn. Operating profit was up 30 per cent to £211m. At the end of the year, the order book stood at over £2.6bn and has been rising in the early months of 1986:

Analysis of turnover and profits shows that military aero-engines still dominate the company's activity, accounting for £735m of turnover and £110m of operating profits, compared with £735m and £111m

respectively in 1984. Civil engine sales have surged however. In 1985, they accounted for £577m of total turnover, against £448m in the previous year, and for £73m of total operating profit. against only £39m in the previous

tivities accounted for £143m of turnerating profit.

The company attributes its suc-cess in world civil and military aero-engine markets to several fac (R&D). Spending on R&D. in 19 tors. One is that it has made big ef was up to 1234m compared in forts to widen the portfolio of differairlines and air forces, either by direct development by itself or through collaborative ventures with other-companies.

Rolls-Royce has done well, for example with the new Tay civil jet engine for 100-seater and other small airliners, which is solely the compa-

At the same time, it has in-creased its collaborative ventures, which now include work on the US General Electric CF6-80C2 highthrust engine for the Boeing 747 These prove the effectivenes 2500 medium-to-high thrust engine committed to full scot for the Airbus A-320 and other air ment and production

ady helped the company details se its share of the world market a livil engines, which now summer at about 24 per cent (the rest being VTOL engine, and a new military engine and Pratt 2 ures. General engine the XC-40 which is referred to the control of the rest being to t Electric and Pratt & Whitney of the ed to be the forerunner of the en-US). The company's aim is to push this share up to about 30 per cent.

The company holds about 18 per cent of the world military aeroengine market, especially with such power-plant as the Pegasus vertical and the RB-199 collaborative engine

Rolls-Royce will seek a substantial increase in its share capital at the same time that it is privatised, Sir Francis Tombs. chairman, said yesterday. Curshare government-owned, is £150m of which £127m is issued.

privatisation and the earlier we are privatised, the better," he said. We are keen for it to hapfree from the Government's embrace. We believe there are important opportunities open to us in the private sector, the natural

as a public limited company on May 1, as the necessa requisite for flotation. "Greatly mproved as our performance is bere remains considerable scope for further advances," Sit

for the Anglo-West German-Italian Tornado combat aircraft. Rolls-Royce aims to push this market share up to over 20 per cent.

The company has also done much over and £20m of operating profit, to improve its overall efficiency. It while other activities, such as nu- has cut its labour force during the clear engineering, accounted for 1980s by about a third, to the ear £146m of turnover and £8m of op-rent level of 41,700, where it is like ly to stabilise.

It is concentrating increasingly was up to £234m compared with £227m in 1984, and about the same ent engine types that it offers world will be spent this year. Much of this came from the Government, under launch aid on civil ventures, but some £100m came from the compa

advanced technology, which Rolls. Royce believes to be the key in the long-term future of aero-engine de-

Jumbo jets and other aircraft and advances in technology before they the International Aero Engines V- are applied to new engines and

gine for the projected multinational

Enrofighter. The company is also working hard on the new "prop-fan" types of engines, in which new designs of propellers and gas-turbine engines take off engine in Harrier jets for are combined to give substantial the US; Spanish and UK air forces, improvements in fuel consumption compared with current jet engines.

### Frigg dispute hits gas supplies to industry

BY MAURICE SAMUELSON

SUPPLIES TO more than a 10th of the Frigg field's output of about British industrial gas users were 2.6bn cu ft.

cut off yesterday because of the Interruptions on a more modest

UK's daily gas consumption. By last night, the cuts affected about a third of the industrial com-panies whose "interruptible" contracts entitle the British Gas Corporation to divert supplies at short notice to domestic, commercial and other industrial gas users who rely

on continuous supplies.

The scale of yesterday's interrup-tions was caused by unseasonably

continuing industrial action by scale were introduced when the workers on the North Sea's Anglo- Frigg dispute began on the Norwe-Norwegian Frigg field which nor- gian part of the field three weeks mally provides about a third of the ago.

> terruptible customers - accounting for 40 per cent of its industrial market - are able to switch immediately to other fuels, such as heavy fuel oil, gas oil or coal. It is also able to replace some of the Frigg production from other

British Gas points out that its in-

sources, such as the Morecambe Bay field, the storage facilities in cold weather, which raised demand to about 6.5bn cu ft compared with average dally demand for this time to be a superscript of the North Sea's Rough Field project and in salt cavities at Hornsey, Humberside, and liquefied natural of the year of about 5bn cu ft and gas tanks throughout the country.

#### Spanish royal couple begin British visit

BY ROBERT GRAHAM

KING JUAN CARLOS and Queen Sophia of Spain yesterday began a three-day state visit to Britain, the Security has been tightened for the state of retaining the st first by a Spanish monarch since 1905. The visit sets the seal on im-proved Anglo-Spanish relations, frequently sourced in recent years by the issue of sovereignty to Gib-

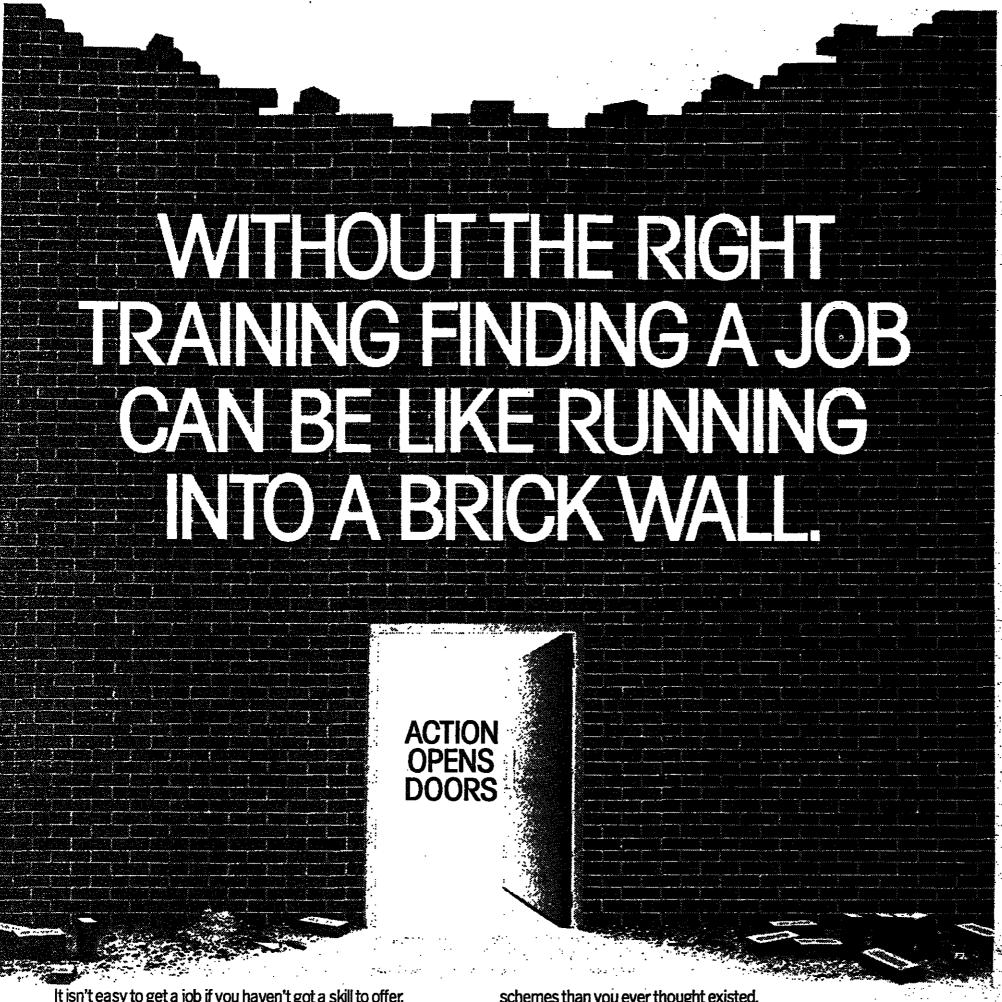
The King and Queen were met at Heathrow airport by the Prince and Princess of Wales. Normally such a senior member of the royal family does not welcome a visiting head of state, and yesterday's presence of Prince Charles was intended to underline the close blood ties between the Spanish and British royal fami-

It was also a gesture to reconcile differences that arose over the Prince and Princess of Wales' deciled King Juan Carlos to call off the airport

the visit because of threats of retaliation from Libya after last week's US bombing raid on Benghari and Tripoli. King Juan Carlos and Queen Sophia are staying with the Queen at Windsor Castle where last

night a hanquet was hosted by the Today, the King is due to address both Houses of Parliament in the Palace of Westminster, the first time a foreign monarch has been invited to do so.

Mr Francisco Fernandez-Ordonnez, the Spanish Foreign Minister, who is accompanying the royal couple, will be having informal talks with his British counterpart, Sir Geoffrey Howe. These are expected sion to begin their honeymoon in 1981 in Gibraltar – a decision which led King Juan Carlos to call off the



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With effect from 21st April 1986										
6.35	Deposit Account	4.75	6.69							
9.36	Monthly Income Account	7.00	9.86							
9.03	Griffin Savers	6.75	9.51							
7.02 8.03 9.16	Saver Plus £100+ £500+ £1000+	5.25 6.00 6.85	7.39 8.45 9.65							
	With effect from 19th May	1986								
6.35	Save and Borrow credit balances	4.75	6.69							





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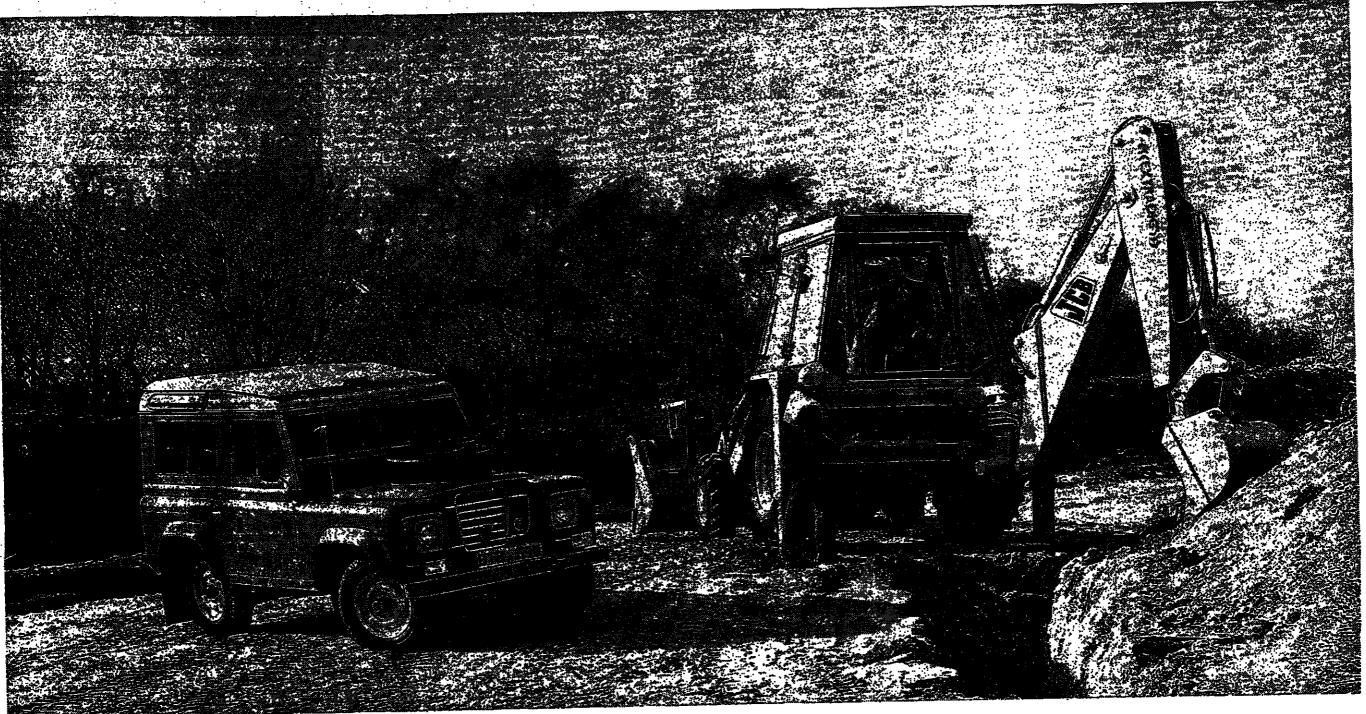
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#### Television/Christopher Dunkley

### Switch on to a universal masterpiece

Tonight Heimat on BBC2 reaches Part 5. If you are not aiready watching, start now. If you have missed the first four episodes beg, borrow or steal cassettes from your friends. Cancel evening engagements for the next seven days so that you can watch the rest of the 11 episodes.

Altogether this engrossing—indeed entrancing—West German series about life in the imaginary Hunsrück village of Schabbach from 1919 to 1982, will demand nearly half a work-ing week of your life: 16 hours ing week of your life: 16 hours and eight minutes, even though the publicity material claims mystifyingly that it lasts 15 hours 40 minutes and 10 seconds. But in return for all that time you will benefit from an experience the like of which comes along only once in a decade or so.

Looking back across 16 years of professional viewing it is disappointing to realise how few among the hundreds of thousands of programmes could even be considered for the des-cription of "television master-pieces." In America PBS shows British television dramas under the umbrella title "Masterpiece Theatre" but however good Elizabeth R and Pride And Prejudice may have been I would hesitate to call them masterpieces. I would flatly refuse the title to such undistinguished material as Poldark and Duchess of Duke Street which were shown under

the same umbrella. Furthermore, although adaptation is a respectable enough practice, and one which has long been championed in this column (the need very often being for less slavish devotion to good theatre or good novels and greater determination to adapt freely and produce good received the reservations about calling Jewel In more to watch: have no vations about calling Jewel In more to watch: having viewed The Crown or Brideshead the entire series in two eightRevisited "television masterpieces" when their origins are way to see it; perhaps a repeat

could be considered a master-piece is Talking To A Stranger, the BBC's 1966 drama quartet absurd about mentioning the written by John Hopkins and Christopher sentence. directed by Christopher Morahan, The word might also be justifiably attributed to Kenneth Clark's Civilisation



Marita Breuer as Maria in Episode 10 of Heimat

thing. Heimat benefits from this factor more, I think, than any work I have ever seen, even though it was shot on 35mm stock and has already been shown in the cinema. Despite that, it is surely, archetypal television;

For me the cumulative effect of the 11 parts was staggering, and I have no doubt that Edgar Reitz, who wrote the series with Edgar Steinbach and directed all of it, has given us a true television masterpiece. fixed-so firmly in literature.

Among material created specifically for television the earliest I can recall which could be considered a master-piece is Talking To A Stranger,

fect. The central event is World War II, and in Germany (1969). Jeremy Isaacs' World Mar II, and in Germany (1969). Jeremy Isaacs' World the series has been seen as the Attenborough's Life On Earth dispassionately with the question handled all too passionately in other television series mon is their exploitation of television's extraordinary to terms with the Nazi phenoments its particular to terms with the Nazi phenoments its particular to terms with the Nazi phenoments. asset, its permanent presence menon. Reitz is no doubt utterly occasionally effective: the red in the home and the conhonest in implying that—at hot iron in the forge in Episode sequent ability to pull the least in the Hunsrück—Nazism I and the bouquet of carnations audience back time after time crept in virtually unobserved tossed from the fighter plane

Of course Heimat is not per-

to go on and on watching some-thing. Heimat benefits from resentment about the Treaty of couleur," the rest seemingly this factor more, I think, than Versailles and local desire for mostly arbitrary. economic progress. Yet, as with Das Boot, it is hard not to raise In the central rôle of Maria

> the mayor's son in Heimat) amongst such a large cast. Other criticisms can be made. The last episode is not only indulgently long but virtually unnecessary. Episode 9 is something of an anomaly since it concentrates almost exclusively on one story: that of the teenage Hermann and his pro-foundly moving love affair with the much older Klärchen.

an eyebrow at the notion of only one thoroughgoing Nazi sympathiser (Wilfred Wiegand),

The passions and agonles of teenage life - sex and trigonometry, poetry and compulsory sport—are most delicately and dextrously handled, and one wonders whether there is something more than a purely academic interest in Reitz's depiction of the family's desperately insertive handling of perately insensitive handling of the young man's feelings. Yet hugely impressive though this episode is, the uncharacteristic concentration on one person pushes the other themes into the background.

It is not exactly a criticism, perhaps, but the switching between monochrome and colour seems to me capricious and only

Simon, the 28-year-old actress Marita Breuer (looking startlingly like the young Muriel Pavlow, though even prettier) gives one of the most astound-ingly well sustained performances I have ever seen, ageing 60-odd years with absolute authenticity. Yet she is let down towards the finish by make-up which looks more suited to grand opera than television. The same goes for Kurt Wagner as theelderly Glasisch, wagner as theeterly distinct, village idiot and first person singular, who provides the exemplary summaries at the start of each episode, the words complemented by sequences of snapshots. His grog-blossom nose looks highly artificial.

But this is to be hypercritical of a series which deserves cele-bration. In one sense the entire work is a tragedy: having married her Paul, Maria spends the rest of her life steadily losing those closest to her. At losing those closest to her. At the end of tonight's episode she realises, hopelessly, as she tells her son, that she has "Done everything wrong." Though we may sympathise we realise, having—and this is the strength of the series—been with her every step of the way, that this is probably true. It is a bleak moment.

Yet, as with reality, life in

Maria may not be entirely happy there are other matters to occupy us, some great and some small. It is presumably Reitz's deliberate exploitation of the details and texture of everyday life— the motorcycle flung into the midden, the bilberry gathering — which has led some people to label Heimat "soap opera." That makes sense provided you accept that Shake-speare's comedies or Dickens' novels are also "soap opera."

Reitz's greatest achievement is to use the mundane to bring out the humanity of his characsoap-opera trap of putting the mundane on a pedestal. Again and again just as you are thinkand again just as you are think-ing that soap values might be taking over, some larger matter will be signalled: as Maria runs to fetch the doctor for a diphtheria case we see her from the vantage point of a telephone engineer who is connecting one of the village houses. A new and important form of communication has come into the life of Schabbach, and one of Reitz's major sub-themes, the development of technology, has development of technology, has been strengthened. (The subtheme to that sub-theme — the 
development of amateur 
photography via Leica, Rollei 
and Agfa cameras—might one 
day provide the subject for a 
PhD in "meejer" studies).

The strength of the series extends to virtually all departments. The acting throughout a huge cast proves that Britain is not alone in having tremen-dous breadth and depth across both sexes in this profession, nor being able to mix profession, nor being able to mix professional actors successfully with amateurs. Willi Burger for instance, who plays Mathias Simon the paterfamilias, and whose handling of red hot iron looks so entirely confident is, indeed, a genuine blacksmith.

Practically all the time, throughout the 16 hours, the picture is worth looking at There is no striving for fancy optical effects, but Gernot Roll's outdoor photography is frequently beautiful (the image of the countryside itself is clearly very important to Reitz's story) and indoors the composition is never less than thoughtful and is often packed with layers of

One of the marks of great story-telling is that it appeals universally across national boundaries. Clearly this applies to Heimat but, given what foreigners can gain from it, just imagine its richness for a German audience. It is, after all, not just a story and a fas-cinating one but a minutely

detailed social history.
Who will make Britain's
Heimat?

#### Authentic Mozart/St. John's, Smith Square

#### Dominic Gill

The American planist Mr Bilson's compatriot Charles
Malcolm Bilson's continuing Rosen) must surely be correct.

Exploration of Mozart's conceptos on a modern

The evening, which was also why offer an odd, jerky, in conceptos on a modern conce The evening, which was also part of a jamboree by the conexploration of Mozart's concertos on a modern reconstruction of an 18thcert's sponsors, British Cas, otherwise offered all the usual gentle illuminations and delights — and provoked the century instrument, with the English Baroque Soloists under John Eliot Gardiner, on Monday night reached K466 in D minor delights — and provoked the usual gentle wish that other, even better pianists than Mr Bilson would also offer us the opportunity to hear Mozart as Mozart conceived it. Some of the most wonderful things in K466. Indeed.—can early—be heard when the performance is correctly sized and weighted: and K467 in C.
One of Bilson's most significant authentic innovations is stylistic: he is one of the few performers to interpret the word "solo" — written frequently in the score when the planist joins the orchestral tex-

planist joins the orchestral texture — to mean "solo strings":
and the effect of reducing the
string band to a solo guartet
accompaniment at crucial
moments is so clear and so
beautiful, and feels and sounds
so right, that the procedure
(for many years advocated by

pianist Mr Bilson's compatriot Charles cadenzas - Mozart left none, parts almost spoof-baroque con-fection of one's own?

The evening's symphony was the Haffner, divided (as it had been at its premiere on March 29 1783) with the first three movements at the beginning of the concert and the finale at the end. I still think the Haff. ner's finale makes its best effect played immediately after the minuet: but as an experiment

#### Hérodiade/Rome Opera

Arthur Jacobs

No unveiling, no dancing is required of Salome in Massenet's Hérodiade — which, when the performer is Montsgrrat Caballé, is just as well. The Opera reveals its date (1881) in its assembly of conventional operatic ingredients — passionate avowals, cumulative choruses, prayers and fanfares, even a love-duet for Salome and John the Baptist. Not Salome but Herodias demands. John's execution, after which Salome learns at last that she is Herodias's daughter and kills herself.

Such a plot might be quite fiercely played for dramatic effect. But with Caballé and her Roman audience, opera as drama was replaced by opera as a ritual of admiration. As she graciously walked through her part, singing thinly and and cautiously at first, but later with some spirit and colour, the applause and the cheering came loud, long and frequently, with the conductor con-spicuously chapping his singers

spicuously clapping his singers from the rostrum.

Admiration was not misplaced for the two fellow-Spaniards brought by Caballé to portray the tenor Baptist and the baritone Herod. José Carreras fufilled every expectation: he unfolded the prophetic role with a wealth of feeling and complete command of voice. Juan Pons. likewise, seized on the strength and weakness of Herod—whose lust to possess Salome constitutes almost the sole eroticism of the score. (Saxophones here lend distinct colour to the orchestra.)

Wision fugitive," would be even better if he learned the acceptable conductor who, despite some cuts in the score, rightly retained some of the ballet music.

Though giving her name to Costumes by Maurizio Monte-the opera (and to Flaubert's verde were imposing and splemdid, but the stage direction by Antonio Calenda was planentable, with dummy-like lamos, a substitute singer, complete command the action taking place outside the action taking place outside the action taking place outside the other way round. Ferruccio as a stepping-stone to a without counsellor, Phangle Carreras recording of the court counsellor, Phangle Carreras recording the court counsellor carreras recording the country



José Carreras and Montserrat Caballé

### Culture arrives on Skid Row

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same story—there's no theatre and private sources, including in New York any more, can I \$4.8m in tax-exempt investment come out?" Where they want certificates, an item that is no to come out to is the new Los longer permissible but was Angeles Theater Center, and achieved just in time. The CRA Bill Bushnell is its artistic sold the buildings to the Los

four theatres in a former bank the land for \$1 a year. They building in Spring Street, in also lent Mr Bushnell \$1.3m to downtown Los Angeles. This is see him through his initial a pretty run-down neighbour-hood, and the establishment of Spring the theatre is hoped to improve cial district of Los Angeles on its ambience. This is not only Bill Bushnell's hope; it is also other. Currently it belongs more

producing director.

Angeles Actors Theater for \$1

The LATC is a complex of and offered a 55-year lease on

Spring Street has the finan-

"There's not a day," Bill an adjacent parking lot (park-Bushnell says, "when my phone ing free in theatre hours) cost does not ring off the hook, one actor after another with the came from an array of public with marble walls and a stainedglass skylight. A curved stair-case leads to a balcony extending the length of the room. At the far end of the balcony, a door leads into the offices.

The four theatres all have

their seats on a very steep rake. Bill Bushnell says that this is to ensure that even the back seats are near the stage, but it must also be to economise on space. The theatres were originally called Theatre 1, 2, 3 and 4, but Theatre 1 has been named the theatre is hoped to improve this about the state of the Los Angeles Community Redevelopment Agency, and they have found \$16m for the purpose. The building with its comely pillared front, and

fewer. There should have been a

restaurant, too, but the restaurateur pulled out of the scheme. Between Theatre 3 and what the Americans shyly call the Rest Rooms there is an illuminated sign saying DINER, but there is no diner. Mr Bushnell claims not to

care much what audiences like. "I don't think the audience has a clue about what it wants," he says. His opening season was as miscellaneous as could be.
At the time of my visit, there was a very popular sitcom-thriller with a Latino setting. played by a Latino company. El

Theatre 4 is the Cottesloe of the bunch a small house where the seats can be moved around to suit the production. At present it has 99 seats, but Mr Bradley reckons it can do with force.

Teatro Campesino; there was one of Adele Edling Shank's "California plays" (two of which have been done at Louisville festivals); there was a Bradley reckons it can do with force. which have been one at Louis-ville festivals); there was a Restoration play in verse; at the little Theatre 4 there was Peter Sheridan's Diary of a Hunger Strike, which we saw at the Edinburgh Festival. There were also visits from music and dance companies. The cost of tickets ranges from \$12 for pre-views and Saturday and Sunday matinees to \$20 for best seats. Friday and Saturday, \$17 other

Attendance was said to be running at 5,000 a week. There is a general feeling of excitement. If you can imagine a cross between the National Theatre and the Royal Court, this would be it.

daughters) has its raison d'être in the score, Amicare Ponchielli is known—so far as he can be said to be known outside Italy—for a single work, his opera La Gioconda, which contains the familiar Dance of the Hours. Le Due Gemelle was first performed at La Scala, Milan, in 1873.

This production was unweiled B.A. Young

#### Ballet/Verona Freda Pitt

Scraping the bottom of the Filarmonico, run by the Arena son (Cristian Cracium). She Scraping the bottom of the barrel is not an exercise confined to the field of opera. A forgotten ballet poses more complex problems in that only rarely are clear indications of the original choreography available. Furthermore, with few able. Furthermore, with few constant of the original choreography available. Furthermore, with few able. Furthermore, with few constant of the original choreography available. Furthermore, with few constant of the original choreography available. Furthermore, with few constant of the original choreography available. Furthermore, with few constant of the original choreography available. Furthermore, with few constant of the original choreography available. Furthermore, with few constant of the original choreography available. Furthermore, with few constant of the original choreography available constant of the original choreography available constant of the original choreography available. Furthermore, with few constant of the original choreography available choreog exceptions, the music written to accompany the spectacular At this late stage of her to accompany the spectacular shows popular in the 19th century was provided by hacks and contained little or nothing of intrinsic interest.

career (she is due to perform Giselle with Festival Ballet this summer, almost 30 years after her London début in that ballet), Fracci can bardly be expected to supply fireworks of the sort clearly indicated at various points by the music. However, charm, good looks, expressiveness and exceptional theatrical know-how enable her still to sustain a role remarkably

that of the silliest 19th century opera. One of the twin girls who were separated as children, Ercinia—the virtuous one—is opera. One of the twin girls as usual.

This production was unveiled who were separated as children. The supporting company was in Verona during the spring Ercinia—the virtuous one—is the resident one, now under the season held at the Teatro to be married to the Emperor's direction of Mario Pistoni.

sitting in a chair eloquently wriggling her shoulders as she tipples with the clown Citaredo (James Urbain, another stalwart of the Fracci-Menegatti stable).

Gheorghe Iancu, Fracci's habitual partner in recent years, is customarily cast as a hero, but after all, the role in which he originally aroused our admiration in Rome when he appeared with Liliana Cosi's small company, was that of Tybalt, and he takes Adalbert's villainous ways in his stride. His are the dancing honours.

as usual.
The supporting company was

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### Arts Guide

Music/Monday. Opera and Ballet/Tuesday. Theatre/Wednes-day. Exhibitions/Thursday. A selective guide to all the Arts ap-

#### **Theatre**

**NEW YORK** 

Cats (Winter Garden): Still a sellout, Trevor Nunn's production of T. S. Eliot's children's poetry set to tready music is visually startling and choreographically feline, but classic only in the sense of a rather staid and overblown idea of theatricality. (239 6262). 42nd Street (Majestic): An immodest

celebration of the heyday of Broad-way in the 30s incorporates gems from the original film like Shuffle off To Buffalo with the appropri-ately brash and leggy hoofing by a large chorus line. (977 9020). Srighton Beach Memoirs (48th Si): The first instalment of Neil Simon's mix of memories and jokes focuses on a Depression-era Jewish bouse-

hold where young Eugene falls awk-wardly in love with his cousin. (2211211). Chorus Line (Shubert): The longestrunning musical ever in America has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions. (239 6200).

La Cage aux Folles (Palace): With some tuneful Jerry Herman songs, Harvey Fierstein's adaptation of the French iilm manages, barely, to cap-ture the feel of the sweet and hilarious original between high-kicking and gaudy chorus numbers.

m Not Rappaport (Booth): In moving to Broadway, Herb Gardner's touch ing, funny and invigorating play about two oldsters retains its stars. almost conquer the world when they

almost conquer the world when they think they are just bickering with each other. (23:05200).

Big Biver (O'Neill): Roger Miller's music rescues this sedentary version of Hock Finn's adventures down the Mississippi, which walked off with many 1985 Tony awards almost by default. (2480220).

Philadelphia Story (Arena): Elinor Renfield, who last directed Peter Nichols's Possion Play here, takes on the Philip Burry American classic about a headstrong debutante whose society wedding draws the press to gawk. (488 3300).

CHICAGO Happy Days (Goodman): The Good-man company celebrates Samuel Beckett's 80th birthday with the

playuright's bleak view of the world, interpreted by the Romani-an-born director, Andrei Belgrader. Ends May 11. (4433800) NETHERLANDS

Amstelveen, Cultured Centrum. En-glish Speaking Theatre of Amster-dam with Orton's Entertaining Mr Sloane directed by Grant Coburn (Wed). (45 84 44).

LONDON

Lend Me A Tenor (Globe): Fresh and inventive operatic farce by new American author Ken Ludwig set in Cleveland, Ohio in 1934. Dennis Lawson and Jan Francis lead an energetic company in mistaken iden-tity romp, while Verdi's Otello carries on regardless. (437 1592) Rowan Atkinson (Shaftesbury): New revue starring rubber-limbed clown with a strong line in scatological sa-

April 18-24 tire and rude sketches, many of them reflecting British classroom tyrannies. (379 5399)

Nevertheless, the exhumation

of Le Due Gemelle (the twin daughters) has its raison d'être

tyrannies. (379 5389)

Blithe Spirit (Vaudeville): Excellent revival of Noël Coward's smart comedy about a novelist harassed by his second wife and haunted by his first. Pinter's Old Times owes a lot to this play, well directed by Peter Farago, acted without undue Cowardian reverence by Simon Cadell, Joanna Lumley and the alabaster beautiful Jane Asher. (838 9987)

When We Are Married (Whitehall):
Matchless comic playing from an all
star cast in Priestley's comic warhouse about silver wedding annivenient revelation. Bill Fraser is a
drunken Falstaffian photographer
and the coupies are led by Timothy
West and Prunella Scales. The 1930
theatre has been beautifully renotheatre has been beautifully renovated (930 7765).

The Scarlet Fimpernel (Her Majesty's): Donald Sinden in resplendent plummy-voiced form as Baron-

ess Orczy's one-man resistance movement to the French Revolu tion. Opera director Nicholas Hytner's efficient and sparkish pro-duction has smoke, tumbrits, rat stew and rolling heads. (830 4025).

Starlight Express (Apollo Victoria): Andrew Lloyd Webber's rollerskat-ing folly has 10 minutes of Spielberg movie magic, an exciting first half and a dwindling reliance on indiscriminate rushing around. Dis-neyland, Star Wars and Cats are all influences. Pastiche score nods to-wards rock, country and hot gospel. No child is known to have asked for his money back. (834 6184).

#### Saleroom/Antony Thorncroft

### Searching out marbles

Marble busts seem to be sought after at the moment, and Sotheby's attracted a successful bid of £71,500 yesterday for a white marble figure of Meleager produced in 1735 by the Venetian sculptor Antonio Gai who was described by a contemporary as a "demi Michel-Ange." Works by Gai are rare outside Venice: this one was commissioned by the British consul in the city, Joseph Smith.

A white markle markle has been to be fixed and tortoiseshell house altar of the early 18th century, attributed to Christian 'Drentwett, fetched £25,300.

Hugh Goodacre was one of the few serious collectors of Byzantine coins in the interwar period. In those days few good specimens appeared on the market but when they did Good-care was a likely 'buyer. Christie's sold his collectors of the few serious collectors of Byzantine coins in the interwar period. In those days few good care was a likely 'buyer. Christie's sold his collectors of the few serious collectors of Byzantine coins in the interwar period. In those days few good care was a likely 'buyer. Christie's sold his collectors of the few serious collectors of Byzantine coins in the interwar period. In those days few good care was a likely 'buyer. Christie's sold his collectors of the few serious collectors of Byzantine coins in the interwar period. In those days few good care was a likely 'buyer. Christie's sold his collectors of the few serious collectors of Byzantine coins in the interwar period. In those days few good care was a likely 'buyer. Christie's sold his collectors of the few serious collectors of the few serious collectors of Byzantine coins in the interwar period. In those days few good care was a likely 'buyer. Christie's sold his collectors of the few serious collectors of

A white marble portrait bust by Michael Rysbrack of Daniel Finch, Earl of Winchilsea and Nottingham, sold for £52,800. It was one of Rysbrack's earliest important works in England, made around 1744. There was one disappointment, a large Italian plaster portrait bust of Napoleon, attributed to the famous Canove, bought in at £6,500.

There was a record auction price for a Renaissance medal when a bronze medal dated

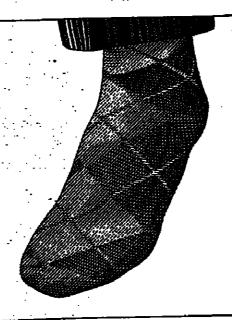
wett, fetched £25,300.

Hugh Goodacre was one of the few serious collectors of Byzantine coins in the inter-war period. In those days few good specimens appeared on the market but when they did Goodcare was a likely buyer. Christie's sold his collection yesterday for £153,257. Everything went, and prices ranged from less than £100 to a top price of £8,100 for a solidus of Michael II (820-821). Its top estimate was £3,000. estimate was £3,000.

The coin was bought by the London dealer Vecchi who also paid £4,320 for another solidus, this time from the reign of Constantine VII (945 AD).

English furniture has appreated greatly in price in the last year or so and Phillips' auction of average-to-good pieces vesterwhen a bronze megal dated of average-to-good pieces yester day reflected the better demand, totalling £275,640 with 12 per cent unsold. A. and F. Gordon, the London dealers, paid £22,000 for a set of the law Ragagey Back among the marbles a mahogany dining chairs (top bust of a youth crowned with a

bust of a youth crowned with a myrtle by Jean Antoine Houdon A George I carved wainut bureau-on-stand sold for £17,500. A North bureau-on-stand sold for £16,000. A north bureau-on-stand sold for £16,000. A north bureau-on-stand sold for £16,000. A north bureau-on-stand sold for £17,500. A north bureau-on-stand sold for £17

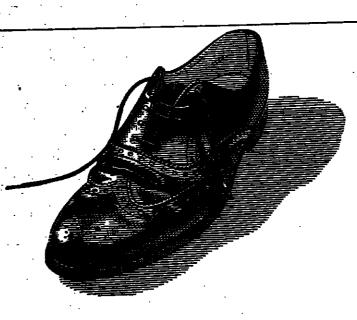


Traditionally, we've been known for our shoes.

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And then very successfully took those opportunities.

Between 1980 and 1984, for example, we built up our shoe shops into a national chain of some 400.

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Even more recently, of course, our business has expanded even more rapidly.

We now operate Halfords, Owen Owen, Zodiac toy shops and Payless DIY.

(And a total of over four million square feet.)

Currently all of these new acquisitions are undergoing major transformations which should prove very exciting.

Halfords, for example, has already opened 18 edge-of-town superstores designed to service the ever increasing demands of the motorist.

And the acquisition of the 65 Payless DIY stores will enable us to further develop the concept of edge-of-town shopping parks.

By the end of 1985, our retail sales had shown a dramatic increase to over £250 million.

This success recently prompted Business magazine to label us an "Exciting new entrant to the high street."

And one which is "under-rated."

Indeed, we think our competitors will have to be fast on their feet to keep up with us.

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#### **FINANCIAL TIMES**

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Wednesday April 23 1986

### Policy in a high-tech era

ever, the advertised accompany-ing benefits, of stable markets, enhanced efficiency, and im-proved resource allocation, are as underwriters to these nows rather than carrying them on their books.

The problem for supervision and targeting is that these bard to detect.

now confirmed by a deep international study, is that policy As a result, all but the narrules framed in the days of rowest aggregates have an infinancial specialisation, fixed-interest contracts, limited capital movements and fixed but adjustable exchange rates, have not worked well in a period of generalised floating, almost unlimited capital mobility and unceasing innova-

In one sense this week's report of the expert committee drawn from the central banks of the Group of Ten, known to its friends as the Cross Report, contains no surprises. The innovations it discusses are the everyday talk of financial folk and of the newspapers which though, its conclusions, based on close study and careful reasoning, are surprisingly radical, and seem to have come as something of a revelation to some participants.

#### Accident prone

Everyone knows by now that innovation poses something of a nightmare for prudential supervision. What seems to have been news to some of the experts is that it has also rendered most monetary aggregates meaningless. Pragmatic targeting of exchange rates and interest that a policy aimed to stabilise rates, so despised by academic an acceptable exchange rate rates, so despised by academic purists, emerges as the only sensible policy response to the world of computerised, interna-tional finance. Muddling through emerges as the sophisticated approach.

The problems for supervision and for monetary policy arise from the same causes. The report identifies three radical changes which are now largely complete. Computerised trans-actions, with their very low it is soon likely to be out of cost, have helped to make date.

monetarism, which reached its to foster a host of innovations climax when Mr Paul Volcker's which enable risks to be unpolicies for the US were in full force in 1980-82, has not been hands. At the same time, most an unqualified success. It has lending which used to be done won its main objective; the at fixed rates of interest is now inflation of the 1970s is defeated done at floating rates; and the in most countries, and at any banks are increasingly acting rate for the time being. How- as underwriters to these flows

ard to detect. transactions are hard to assess One very strong reason, as is from a prudential point of view, creasingly tenuous relationship with activity, inflation or credit demand, which policy aims to influence. In any case, policy actions are increasingly accident prone; where the traditional system was constrained by liquidity, which the authorities could control, the boundaries are now set by solvency risks.

#### Trading realities

The results of widespread insolvency, which exist in those systems where interest rates are the main channel through which policy impacts on the economy, are so horrifying that policy has to be relaxed. This is the history of the US in recent years. In more open economies the main impact seems to come through ex change rate swings. This means that over-tight policies seem to be targeted against exporting industries, and again the results are unacceptable. This, roughly, has been the UK experience.
Even in the US, where the

importance of exchange rate effects was not appreciated until very late in the day, it now seems to be understood bearing some relation to trad-ing realities is the best of the second-best options available, and the international crisis of monetary targeting may now be The supervisory and prudential issues, however, are still on the future agenda, and the Cross Report is the best available handbook of the issues to be faced. Unfortu-

### Mr Kinnock's new party

THE BRITISH Labour Party is again beginning to look like a credible party of government —at least in the sense that it wants office and may achieve it. The party did well in the Fulham by-election earlier this month, recapturing a seat that it should never have lost, had Labour been in a healthier state, in the general election of 1979. Mr Neil Kinnock, the party leader, has made a not undistinguished contribution to for politics is about, both here of 1979. Mr Netl Kinnock, the object of the party leader, has made a not what much of the presentation undistinguished contribution to the debate on the British Government's acquiescence in Labour Party some time to the debate on the British Government's acquiescence in the American attack on Libya. He has struck a popular note in trying to drive the Militant Tendency out of the party, even if he has not fully succeeded in doing so. Above all, he has in doing so. Above all, he has challenged the idea that Labour is in terminal decline. By now the Liberal-SDP Alliance—the other opposition—must be seriously worried about this reversal of fortunes. It can no longer be assumed that the crown will pass to them when the Tories fade.

would like to lead if he has his way. As he would be among the first to admit, there is not too much new about it. He said at a press conference that the basic message of democratic socialism was a strong one that remained applicable to all times: it was about greater fairness in society, about providing a safety net for those too old, too sick or just too unlucky to be able to fend for themselves.

#### Distinctly American

The novelty about Mr Kinnock escape from.

The savs it in modern The next Labour Party conis that he says it in modern terms and as if he intends to pull it off. The party political broadcast that introduce: the broadcast that introduce, the freedom and fairness campaign last night can be criticised on a number of counts. It looked almost too Saatchi & American bases or no more nuclear power, will be crucial. Saatchi (the advertising company that made Mrs Thatcher's campaign in 1979) for words. It said virtually nothing about the consent of the unions. That has not already been to some some sources taken on all sorts of measures such as remaining post aluminium, America's fifth biggest aluminium producer, which has been piling up losses for no more nuclear power, will be crucial.

There is also the question of incompany that made Mrs Thatcher's comes policy and whether labour could govern without the consent of the unions.

Labour could govern without the consent of the unions.

For the time hairs have no all sorts of measures such as remaining post aluminium, America's fifth biggest aluminium producer, which has been piling up losses for no more nuclear power, will be crucial.

Satchi (the advertising company that made Mrs Thatcher's comes policy and whether labour could govern without the consent of the unions. policy that has not already been said by Dr David Owen and the Mr Kinnock is running well. He a group of West Coast com-

catch up.

Mr Kinnock has another factor on his side. There will be a large group of young voters in the next general election who will have known no other British Prime Minister than Mrs Thatcher. The appeals for better housing, better health and more preventative medicine, better schools, how-ever much they have been heard before, can come through to the young as new. Almost the most striking call

Yesterday Mr Kinnock launched his new party, or rather the Labour Party he would like to lead if he has his A younger generation may not find that quite so ironic as the

#### Incomes policy

These are still early days. The next general election could be two years away and in the intervening period anything could happen. The next big test for Mr Kinnock's new party therefore is not so much how it fares with the electorate as how it fares in the old Labour Party it is trying partially to

The next Labour Party conference in the autumn, where policy will have to be discussed and block votes taken on all sorts of measures such as renationalisation, an end to American bases or no more nuclear power, will be crucial. There is also the question of inspection of inspectio

For the time being, however, Tories to take onence. In the 1990s. The Alliance and There is also something distinctly American about Mr more. After all, he has learned Kinnock's approach: it seems as from them.

### The Italians are coming

TESTERDAYS announce ment that Olivetti is to Volkswagen's Triumph Adler subsidiary in West Germany is more than just another coup for the Italian office automation group, one of Europe's fastest-growing companies.
The deal, which also calls

for Volkswagen to take a 5 per cent stake in Olivetti, is the most spectacular of a series of acquisitions which have been made by Italian companies out-side of Italy over the past 12 The very idea of Italian com-

The very idea of Italian com-panies attempting large-scale acquisitions in France. West Germany and Britain would have been unthinkable as recently as two or three years ago. The fact that Italians are now doing just that bears witness to the rapidly growing stature of Italian industry and finance and equally to the speed finance and equally to the speed with which the Italian economy is modernising and opening up. As one senior American business executive put it recently:
"This country is actually start-As one senior American business executive put it recently:
"This country is actually starting to behave like the world's seventh biggest industrial economy. Italy is beginning to look like a really serious attitude on the part of trade

private sector is experiencing private sector is experiencing s2bn since 1984—from overseas in the performance of the Milan bourse (the BCI share while, has nearly halved over index has jumped by 70 per the past two years to its present cent since the start of this year of the venture.

S2bn since 1984—from overseas components division and Matra of France (as yet not approved) which would give Fiat control having recently bought from Bayer of West Germany its metallic than the performance of the venture.

In the foods sector, the Fercent since the start of this year 7.2 per cent and is likely to be



ovanni Agnelli, chairman of Fiat; Silvio Berlusconi, TV entrepreneur; Carlo de Benedetti, chairman of Olivetti; and Raul Gardini, chairman of Ferruzzi The new empire builders (left to right): Gio

and by 170 per cent since 5 per cent per annum at the January 1985) and in the rise end of this year. Added to this of corporate profits. This the industrial benefits of averaged 35 per cent last year, cheaper energy costs (Italy imof corporate profits. This averaged 35 per cent last year, a rate of increase expected to

a Talifa in Salat and a salat profit for the

place."

The Olivetti takeover of new technology such as factory Triumph-Adler, certainly the most important deal for the has involved redundancies. Invest important deal interest and involved remainderes. Invest-based group since its 1984 There has also been a dramatic alliance with American Telephone and Telegraph (AT & T), the equity market and a flood comes at a time when Italy's of foreign money—more than

ports 70 per cent of its oil and gas) and the less tangible factor of Italian entrepreneurial flair and the result is a country able to contemplate via acquisitions abroad.

This is the context which has seen Flat, the leading private sector group able to participate the Westland share acquisition along with Sikorsky of the US, as well as negotiating a joint venture between its car components division and Matra

come from obscurity to take majority control of France's Beghin-Say sugar group, making Ferruzzi Europe's largest sugar conglomerate. In the television business, Mr

Silvio Berlusconi, the Milan-based inventor of Italian private stations, has invaded France with that country's first-ever commercial network and is hoping to do the same in Spain shortly.

Pirelli, on a smaller and more selective scale, has been making acquisitions of elec-tronics and businesses engaged

But the most visible of Italy's industrial and financial protagonists has undoubtedly been Mr Carlo de Benedetti, who has been pursuing a twin strategy of building up Olivetti, where he is chairman, and of creating his own personal industrial empire which now includes food, car components, publishing and investment banking.

Mr de Benedetti yesterday said that Olivetti's takeover of Triumph-Adler is important for three strategic reasons. "First, we started a policy several years ago of internationalising Olivetti and this cannot be achieved only by expanding sales abroad but by also creating an integrated network," he said. "West Germany is the most important market in Europe and through our

alliance with Volkswagen we hope to be more German in Germany." He pointed out that Olivetti has operated in West Germany for 30 years. With the addition of Triumph-Adler, Olivetti revenues from West Germany jump from \$167m to more than \$600m. (This figure excludes revenues outside Germany.)

Mr de Benedetti's second reason is that he would like Olivetti to become "a centre of aggregation in the European office automation market." In other words, he wants to take advantage of Europe-wide economies of scale in research. manufacturing and distribution.

Finally, the Olivetti chairman says he sees the Triumph-Adler deal as "good from a financial standpoint" and would like to develop T-A the way he did with Olivetti. Since he joined Olivetti in 1978, the company's Olivetti in 1978, the company's sales have quadrupled to L6,140bn (\$4.1bn). The value of Olivetti's market capitalisation, meanwhile, has almost quintupled over the past two years: in 1984 AT & T paid \$260m for a 25 per cent Olivetti share stake — Volkswagen is now paying \$267m for 5 per cent of Olivetti.

Mr de Benedetti, like other Italian entrepreneurs, is taking advantage of both the enormous liquidity on the Mi'an stockmarket and of the gains to be realised by raising cheap funds in Italy to acquire com-panies abroad. It is a trend which has by no means run its

Alan Friedman

#### A PUBLIC RELATIONS BLITZ TO EASE FRENCH FEARS

ITALIAN ACQUISITIONS ABROAD

Target company

Acom (UK)

Litel stake (US)
Vaudour-Dano (France)
Focom (UK)

Compo (US) Metzeler (W Germany)

Westland stake (UK)
La Cinq (France)
Beghin-Say (France)
Hillsdown stake (UK)
Valeo stake (France)
Triumph-Adler (W Gen

Pirelli-Ericsson (Australia)

THERE are personal reasons why we want to develop our presence in France. We are Savoyards. The French understand us well. Sometimes, our own people in Italy look upon us as foreigners," remarked Mr Carlo de Benedetti in fluent French. The Italian entre-preneur from Piedmont was in Paris last week explaining why he was launching a flurry of takeover and acquisition deals in France and why he was introducing one of his sub-sidiaries on the French unlisted securities market.

A few days earlier, in equally good French, another well-known industrialist from Piedmont and the Turin area was justifying his group's current investment plans in France.

Mr Umberto Agnelli, the deputy chairman of Fiat, the car group which is also Italy's biggest private enterprise, suggested that all the fuss over the sudden wave of Italian investments in France had been

nery are relatively limited compared with French investments
in Italy," he said. "When you
look at the economic weight of
subsidiaries of French companies in Italy you will see that
is is exactly double that of
Italian subsidiaries in France."

de Benedetti again centre stage,
The chairman of Olivetti, who
now also controls Buitoni, one
of Italy's leading food groups,
has just introduced on the Paris
unlisted securities market
is is exactly double that of
Italian subsidiaries in France."

somewhat overdone.

members of the French intend to take full control or administration call "the Beghin-Say, the move is widely Italian invasion." regarded in France as a first step towards majority control the Italians.

Benedetti and the Agnellis who have been holding the head-lines. Their plans are also part of a wider series of new Italian number of different key sectors of the French economy. These include:

industry, a sector in which both Fiat and Mr de Benedetti have designs. Fiat has already reached a preliminary agree-ment with Matra to merge the French defence and electronic group's car components operations. As for Mr de Benedetti. he has already acquired nearly 20 per cent of Valeo, the country's largest car components company and is bidding for an additional 16 per cent stake. If both deals succeed, Fiat and Mr de Benedetti will between them control a predominant chunk of the French car components sector.

"Even if Italian investments • The important food industry in France have the honour of is also in the throes of increasmaking front page news stories, ing takeover activity, with Mr they are relatively limited com-

Both Mr Agnelli and Mr de
Benedetti have felt the need to
mount a major public relations
blitz in France to try to ease
the growing fears of what some

Ferruzzi, the Italian agribusiness conglomerate, headed
by Mr Raul Gardini, is also in
on the act. Although the company has claimed it does not

intend to take full control of Italian television entrepreneur, French car components in Worms group (who are all part-

There has, meanwhile, been speculation that Italian investors have been acquiring shares in BSN, France's largest food group which earlier unsuccessfully competed against Mr de Benedetti for Buitoni The broadcasting industry,

where President Mitterrand's decision to grant the concession to operate France's first private commercial nationwide television network — the so-called Fifth Channel — to a Franco-Italian partnership, including Mr Jerome Seydoux, chairman of the French Chargeurs transport group and

has touched off a major dustry. controversy.

·With their recent manoeuvres, the Italians appear to have beaten everybody to the draw in France and have been among the first to take advan-tage of the new opportunities for investment offered by de-regulation and the free-market economic approach of the new government. Indeed, Italian investors struck even before the right's election victory last

inment's forthcoming privatisadoux tion programme— the new
ench administration has been especiand ally worried by Flat's and Mr
the de Benedetti's designs on the

Computers

Helicopters

TV broadcas

Car components Office equipment

Coffee Electronics

turned into a more difficult than expected business for Mr de Benedetti. The management

After his success at restruc-turing Olivetti and his acquisi-tion of Buitoni, Mr de Benedetti now says he wants to repeat his Italian industrial empire build-ing achievements in France.

his plans, among them the Com-pagnie Financiere de Suez, Banque Nationale de Paris, the UAP insurance group and the

ustry. ners in Ceres). He has also The new government has yet chosen Mr Alain Minc, one of to give its approval for the the leading lights on the Paris Fiat-Matra agreement. Mr financial scene, to manage his Agnelli suggested last week French operations.

feelings at his gathering in a pavilion off the Champs Elysces last week when he suggested the French had sometimes a tendency of regarding Italians as a "sous espèce" or lower

Paul Betts

#### Clore leads new raid

Sir James Goldsmith, Rupert Murdoch, Robert Holmes a Court—the list of foreigners Court—the list of foreigners joining the corporate raiders on Wall Street is steadily growing. But one name which keeps cropping up these days is that of Alan Clore, the 42-year-old son of the late Sir Charles Clore, founder of the Sears retailing empire.

Clore, who is based in Geneva, has been active for some time in the US and first attracted the attention of the "smart money" on Wall Street five years ago at the time of Wheelbrator Frye's \$600m bid for Pullman

months later. In 1982, Clore mounted a

proxy fight for control of Gulf Resources & Chemical Corpora-tion, an asset-rich. Houstonbased natural resources group, and until recently this appeared to be his main interest in the US, though its financial per-formance has been lacklustre.

But Clore stepped down as chairman and sold his substan-tial stake in the company shortly after he narrowly avoided defeat in another proxy battle with a group of dissident shareholders.

Since then he has emerged as a substantial investor in various companies including Revlon, the beauty products group, and Rorer, a drugs com-

Kaiser Aluminum is one of Social Democrats, and it would is beginning to persuade the have been hard even for some Labour Party that there is life Heury J. Kaiser, the last of in the 1990s. The Alliance and the great self-made American industrialism. industrialists. The Kaiser empire was split some years ago and Frates and Clore have

### **Men and Matters**

CIR (de Benedetti)

attracted the attention of the "smart money" on Wall Street five years ago at the time of Wheelbrator Frye's \$600m bid for Pullman.

He bought a 5.9 per cent stake in Pullman for \$21.3m and sold it for \$35m three force of 13,450, is a much bigger target than the steel company.
Cornell C. Maier, Kaiser Aluminium's chief executive, describes the latest \$28 per share offer from Frates as:
"The same garbage he came out with before. It is speculative and conditional."

#### Fit to burst

John De Lorean, still facing multi-million dollar lawsuits over his ill-fated sports car venture, has gone into the health and fitness business. In an interview in the US magazine Automotive News, the US magazine Automotive News, the 61-year-old former General Motors executive said he was associated with two Arizonabased companies, one of which planned to set up a chain of health clubs, and the other, to distribute health food.

invested any money in the ventures but would receive commissions from any franchise sales for which he was respon-"I've believed in health and wellness all my life," De Lorean told the magazine. "I take good

care of myself. That is probably

why, in spite of all my stress. I've never had any problems."

De Lorean said he had not

Pimm s number

has sent me to examine you."

some of the sparkle was missing from the launch yesterday of a £1.5m advertising campaign for Pimms drinks,

Senior managers of Distillers home trade team—responsible for the sale of Pimms and other Distillers' brands in the UK turned up for the event with their minds on another meeting later in the day. Ernest Saunders, whose

Guinness group last week won its takeover bid for the giant DCL, had invited them to a summit meeting at Distillers House. "I would not say we were

nervous," confided one manager, nervously, "but there is bound to be a period of uncertainty," For all the usual razzmatazz, sipped his Pimms and pro-

nounced bluntly: "I'd reckon that a fair percentage of the DCL blokes here are worrying about their jobs and whether or not the headquarters will be in Scotland."

Scotland."
Saunders, the man who took an axe to more than 100 Guinness subsidiary companies when he took over as chief executive of the group in 1981, was at pains, later, to dispel some of the anxieties about the future management structure of the merged business.

John Connell, chairman of DCL, who bowed out of much of

the fighting in the later stages of the bid, is to become president of the company. Saunders will take firm command as chairman of DCL and chief executive of the whole group.

Three Guinness directors— Victor Steel Shaun Dowling and Tom Ward—are to join the DCL board. But there is no word yet about the fate of the remainder of the board, most of

#### Dog-days

them DCL veterans.

Ray Buckton, general secretary of the train drivers' union.
Aslef. and his wife Barbara,
are among the senior union
figures attending this week's
annual conference of the Scottish Trades Union Congress in
Aberdeen. Nothing unusual in that: the

once-a-year trip north of the Border at the start of the Spring union conference season is standard practice for many London-based union leaders. But no other union leader has taken his dog along—in Buckton's case. a little Jack Russell terrier, which joined the family when the locomen's leader was TUC chairman in 1984. The terrier's name?
What sise, but TUC. Providing, perhaps, a more fitting image in these days of declining membership than Low's old

#### Useful

A Baghdad hotel informs its guests. Most of staff speak at least one language."-

**Observer** 

that unless Flat received government approval soon it would have to reconsider the deal which he claimed would create a strong new European components group.

The Valeo takeover has also

atmough takeover fever has increasingly gripped the Paris Bourse—fuelled by the Government's forthcoming residuals. ing "white knights" to rescue them.

> ing achievements in France.
>
> To this end, Mr de Benedetti
> is placing his Valeo shares in a
> holding company called Ceres, which will be quoted on the
> Bourse and be 40 per cent interest will surface again,
> owned by the Italian entrepreneur's CIR holding company.
> This groups his Italian assets and constitutes the second of Italian investments. largest private industrial-finan-cial empire in Italy after Fiat. But in part to reassure the French of his commitment and Tyre/rubber prods. good intentions, Mr de Benedetti has included some of France's leading financial institutions in

If the current Italian manoeuvres in France have

been the first to hit the head-lines, it is because they have been the most visible and the largest so far in the current French business climate attracting increasing foreign investment interest. But it also reflects the traditional trans-alpine rivalry between France and Italy as well as the old French superiority hang-up over Italians. Mr de Benedetti echoed these

Fiat must still be haunted by the way General de Gaulle more than 15 years ago blocked its efforts to take over Citroen. He is said to have called in Mr Michelin, who then controlled Citroen, and icily greeted him in Italian with the words "Come sta." The deal was clearly off.

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HOSTING an economic summit in what is almost certainly the year of a general election, the Japanese Government has made an intense effort to explain its economic management

Recent weeks have seen the publication of Maekawa report, commissioned last autumn by Mr Yasuhiro Nakasone, the Prime Minister. to take a hard look at the to take a nard look at the structure of the Japanese economy and the unveiling of another economic package designed to stimulate Japanese

Officials explain how Japanese industry is suffering under the 35 per cent revaluation of the Yen since last October. "Bear with us," is the general mes-sage, "we know our export dependence is a problem and that it has to change. We are taking tough medicine in the foreign exchange market and doing whatever else we can." The country's \$50bn current account surplus is the main bone of contention.

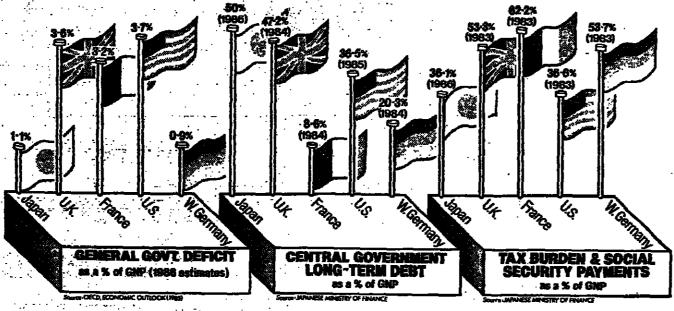
"It is impossible for Japan alone to continue to be an island of solitary prosperity, with a large current account imbalance, depending upon exports," said the Prime Minister recently in greeting the Maekawa report. The problem is that it will prove impossible to correct this imbalance

Beyond the immediate "J-curve" problem, the pattern of Japan's trade will assert itself. Seventy per cent of Japan's imports are fuel and raw materials whose inter-national prices are weak and which are decreasingly vital to the growth of the modern Japanese economy. Ninety-six per cent of Japan's exports in 1984 were manufactured goods, and 70 per cent machinery and industrial entire property. industrial equipment.

How quickly will the rest of the world's appetite for these products evaporate as their price rises? Japan's cheaper videos, hi-fis, and cars may well be challenged by the produce of Asian NICs like Korea, But in the capital goods sector the lesson from Germany in the early 1970s (when it, too, stood in the dock on charges of excessive success) was that once a reputation for quality, delivery and after-sales service is established, sales of capital upment are remarkably unaffected by price.

Another offsetting factor will be the reaction of the Japanese private sector itself. "Export or die," may be in outmoded exhortation for the Japanese economy as a whole, but for several large companies it re-mains a fact of life. In 1984 exports made up 58 per cent of Nissan's sales, 71 per cent of Honda's, 69 per cent of Sony's, 57 per cent of Mazda's 62 per cent of Sharp's. These are sus " in this matter is shifting.

Companies with life-time employment: fixed labour costs mean they cannot afford to give up such a vital element of their did the supposedly independent Ministry officials explained, the latter was diminished by large state pension provisions, which were necessary because Japan's population was set to age much



And the second s

Japan and reflation

### Where good intentions do not yet amount to a policy

turnovers in the face of the stronger Yen. sumer product Japanese com-panies have delivered a quality and innovativeness whose price sensitivity in Western markets has never really been tested during the cheap-Yen era. A glimpse of a commuter traffic jam in Tokyo leaves a formid-able impression of the high-quality, price-no-object chal-lenge the Japanese motor industry can now unleash; 24-valve double-turbo, gadget-laden cars whose novel shapes suggest that Japan is poised to dictate the look of the product over the next decade just as it does already for cameras, and home

It is going to take quite some exchange rate adjustment to neutralise such talents and such

For the moment, and to the intense disquiet of Western Governments, the Japanese Government is talking about "transitional relief" to those parts of industry that are suffering from the Yen's new strength. Tinkering aside the idea of a full-scale fiscal re-flation remains taboo in Tokyo, though there are some signs that the all-important "consensus" in this matter is shifting.

Nor need they. In many comments aim of eliminating the ment's aim of eliminating the ment product Japanese comissue of new bonds to fund the andes have delivered a quality

1990? Wataru Hiraizumi, Minister of State for Economic Plan-ning, explained that the policy was the "sacred domain of the Prime Minister, a personal conviction which even a com-mittee like that could not

Why did the Prime Minister persist in this conviction? Because, several senior officials explained, he was dedicated to the reform and streamlining of Government, it would be hard to spend more with one hand, while trying to prune back bureaucracy with the

That aside, did the Japanese Government feel it was up against real financial con-straints? Yes, said officials at the Ministry of Finance, the central Government's accumulated long-term debt was higher in relation to GDP than in any other country (see chart) in the Group of Five. Why focus on central Governent debt rather than general

Government borrowing as a whole? Because, the Finance Ministry officials explained, the

Japan has cruelly progressive rates of income tax, but its overall tax take as a percentage of GDP is low because indirect

taxes are low (see chart). European-style VAT proved politically impossible to introduce in the late 1970s. In an economy with an endemically high savings rate, tax raising and tax spending by Govern-ment would have a net stimulative effect. Fiscally neutral tax reform, shifting the burden from direct

to indirect tax, is already on the agenda in Japan. What Ministry officials are discreetly hoping for is a net revenue increase, rather than neutrality, so they can reconcile more spending with sound book-keeping. But in an election year, in which Mr Noboru Takeshita, the Finance Minister, is hoping to take over from his party colleague Mr Nakasone as Prime Minister, the logic of all this is hopelessly enmeshed in politics.

Another area where Japanese

partners.

Within the Ministry of There are two problems, finance, a singularly distinguished and old-fashioned building, in which an elite of pale, dark-suited bureaucrats work at desks piles. pale, dark-suited bureaucrats rather than spend, by tax breaks work at desks piled high with on small savings accounts. Statistical ledgers, another reason for the conservative has been lopsidedly liberalised: fiscal policy gradually emerged. It is easy for the world to bor-Japan has cruelly progressive row Yen at market rates but harder to invest them. harder to invest them.

The common link

The common link is Japan's postal savings system, a network of 23,000 small post offices whose total assets are as great as Japan's 65 regional banks. They can raise finance at cheap, official rates because they pay no rent or postal charges and are particularly immune from fiscal investigation. They are political dynamics of the particularly are political dynamics. mite because their managers are pillars and vote-deliverers in the local community. They provide the public sector with substantial quantities of cheap

Another area where Japanese Japanese treasury bill market

to provide a secure and liquid form of Yen investment. It cannot have one, at the moment because its existence would blow the Japanese postal saving and rigged interest rate system

Again this is an area where the consensus is shifting the dynamite is now damp, according to Motoo Shiina, the director of the international bureau of the ruling party. But again, it is hard to envisage much progress with an election in the wind.

America's desire to see Japan reflate is one that is hard to reconcile with the reduced economic role for Govern-ment which America — and Britain, for that matter - would naturally advocate. Japan is steadily lowering in-terest rates — "pushing hope-fully on a piece of string," as a senior executive at Nomura put

"I would hope that each one of my fellow Japanese will pause and reflect upon your own life-style and will give some thought to achieving an en-hanced pattern of consumphanced pattern of consumption," said the Prime Minister
the other day. Officials insist
that such exhortation, and
ploys like the "Beef Week"
announced in the latest economic package, work in Japan.
The Maekawa report emphasised the need for greater private consumption and Mr
Shiina called the report a "gas
diffused into the atmosphere
and breathed in over years to
create consensus". create consensus".

Yet one suspects that this gaseous approach to reflation is neither swift enough nor appropriate. The abiding impression of many Western pression of many western visitors to modern Japan is of private elegance set in a public shambles. On one hand Japan designs and avidly consumes beautiful products and makes art of many of the little details of life. On the other it details of life. On the other it allows bidonville townscapes to ramble over its hills. Here is a collective dimen-sion to Japan's standard of

living which will not respond to increased public consumption or infrastructure investment in the narrow, bridge-and-motor-way sense of the term. The Government directed Japan's pell-mell, export-avid economic reconstruction and then let the private sector have its head. Should it not now work out a vision of what Japan will look like in 50 years and set this out in targets, zones and pro-jects to which the private

Sector can react?

But swiftness is the more immediate lack. The current account surplus will not go away. The Yen threatens to become a negative interest rate super-currency. Soon "mea culpa" and good intentions will not suffice as policy inside a country which still values its work more highly than its play.

Nicholas Colchester

#### Lombard

### The tyranny of arms control

By Malcolm Rutherford

tentative conclusion.

One of the least likely events superpowers.

The failure of the superpowers to reach agreement on nuclear arms control makes it more difficult for them to agree on other matters. Therefore, why not put arms control on the shelf for a while

and talk about something else? Arms control has become one of the tyrannies of our time. Hopes of success are much exaggerated: even when agreement is reached, as in Salt 1, it fails to take account of developing technologies. There is always a new system in the offing while the negotiators are trying to put a ceiling on the

A breakdown of arms control talks is much worse. leads to yet more competition in destructive weapons and more important—wipes vir-tually every other subject off the agenda.

During the period of detente in the early 1970s, it was said that progress between the superpowers on arms control was essential to progress elsewhere: for example, in central Europe or even the Middle East. That proved to be false, partly because Salt 1 was not partly because Salt 1 was not quite the show-stopper it was supposed to be and partly because events elsewhere have their own momentum.

Nowadays, it is worth looking at it the other way round. If the United States and the Soviet Union can reach a closer understanding on other matters, maybe it will be easier to reach an arms control agreement later.

It is not as if nuclear war is imminent or anything like it. There is, has been for a long time, and will continue to be for the foreseeable future an power or "rough parity" It would require a lunatic in Washington or Moscow, or both, to unleash it. That does not seem to me a very likely event. Moreover, the Americans are not going to establish their new strategic defence system over-

HERE ARE two hypotheses and in the two superpowers. They have become hooked on a prob-lem that may be unresolvable, is a nuclear war between the and may even have temporarily resolved itself by the existence of parity.

What else could they talk about? There is the Middle East, for a start. The idea that there in that part of the world with-out the participation of the Soviet Union has always seemed incomprehensible, despite the way the Americans cling onto it. They could begin in quite small ways: for instance, by trying to mediate in the Iran-Iraq war which has been going on for more than five years. Then they could move on to Palestine.

Should that sound fanciful, it is worth asking the question: if the superpowers do not try to bring peace to the Middle East, who will? And if there is no peace in the Middle East there is always the danger of the superpowers being drawn into the conflict.

They could talk about central Europe: what is to be the next movement after the relaxation of more than a decade ago? Do the Soviet Union and its allies want to enter more fully into the world economy? They might even have something to say to each other about the implica-tions of the fall in the oil price the future of supplies.

They could talk about specific areas of conflict as well: areas of conflict as well:
Afghanistan, Central America,
Angola and Southern Africa.
There might be a mutual interest in establishing how far each side is prepared to go and how far the other will let it.

Not least, there are matters of arms control not on the nuclear agenda: the force reduc-tion talks in Vienna, for example, of the Stockholm Con-ference on Disarmament in Europe. They could prove alto-gether more tractable than the great issue of nuclear weapons—that could come later.

It would be excellent, of course, if President Reagan and Mr Gorbachev could stop the nuclear rivalry once and for all, The chances are that they will not. If they fail, all the other rivalries will get worse. That Yet in a curious way it is is why it is mistake to attach the nuclear rivalry that preoccupies some of the best minds ing a nuclear agreement.

#### Intellectual property

From Dr C. Oppenheim

Sir,-There is a particular proposal in the intellectual pro-perty and innovation White Paper which seems to have been generally overlooked. Clause 8.13 states that "fair dealing" will no longer apply to "com-mercial" organisations.

"Fair dealing" is the right of someone to take a single photocopy of a single article from a journal, or a small sec-tion out of a book, for the purposes of research or private study. The idea is bad because it discriminates against com-mercial companies, who have legitimate reasons for wanting photocopies for research, it would be difficult to define "commercial" and it would be

UIS

impossible to fairly enforce.

It has already been suggested that large companies will set up not-for-profit institutions, who will be genuine academic research establishments and who do all photocopying on behalf of the parent. copying on benair of the parent companies. Large libraries, who carry out multiple photocopies for all and sundry will have to inquire whether the client wanting a photocopy is commer-cial or not—and will have to discriminate between its various clients accordingly. The defini-tion of "commercial" will in any case cause problems. Let us hope, therefore, that

this bad proposal, amongst much that is sensible, will be before the Copyright Bill enters Parliament.
(Dr) Charles Oppenheim. 80. The Warren, Billericay, Essex.

#### Expensive to

Sir.—Professor Richard Lay-ard (April 15) predicts a fall of 750,000 unemployed if a £100 a week job were offered to The total sum of benefits

available to a single un-employed living away from home varies according to geo-graphical location, but in south graphical location, but in south London he can receive up to £70. In work on £100 per week, his tax is £17.10, NI contribution £9.02 and travel to and from work a minimum of £5, leaving him a net income of £68.88. A married/two child unemployed could draw around £90 in homester as against a £90 in benefits as against a working net income of £80. It is not even a question of considering a £100 a week job. He simply cannot afford to do so. Before planning to create

#### Letters to the Editor

made the slightest attempt to change this situation. Until one does, unemployment will con-tinue to rise and the taxation

people to the dole queues. D. G. Franklin. 121 Kennington Road, SE11

Investment by the state From the Director.

Aims of Industry
Sir,—Michael Prowse's summary of the nationalisationprivatisation arguments (April 18) covers a lot of ground, But it leaves out some essential

points. The return on capital invested in state industries was about one-third of the return in private industries in the 1960s. There was virtually a nil return in the 1970s overall in state industries. That meant that Britain was proper than

in state industries. That meant that Britain was poorer than it needed to be.

A hy-product of nationalisation was the major political one—that unions eventually realised that a strike in a nationalised industry was a way of hybriding a government down nationalised industry was a way of bringing a government down. Mussolini needs to be given credit for his corporatist and seminal ides of the state investseminal idea of the state invest-ment organisation which buys into a large number of com-panies. That was the blue-print for such organisations as the National Enterprise Board. Even now the state and nations lised industries own or parily-own something like 1,000 com-panies in this country and abroad.

Michael Ivens.

40 Doughty Street, WC1.

The Finance

From Mr J. Martin Sir,—Mr Charles Beattle QC (April 18) must have written with tongue in cheek when he referred to the considerable volume of fiscal legislation in the last seven years and the fact that it has resulted in empire building in the revenue

departments. Surely the volume of tax law coupled with the fact that so time has come for politicians and academics to face the fact that there are some 500,000 yacancies which no one is willing to fill at this moment.

Tax and NI contributions on low pay are two of the major much is incomprehensible

factors of enforced unemploy-negligence claims by their ment and no Government has clients. I would suggest that the tax bar has never had it so good! John F. Martin

57 Tycehurst Hill, Loughton, Essex.

Wake up to

notice was given of the change and the extra £200m costs it

imposed on employers.

Now the Government is seeknow the Government is seeking to change even that period
of notice. As you reported on
April 18 the Government has
tabled an amendment to the
Wages Bill to bring the change forward to August 1 (or the date of the Bill's enactment, whichever is the later). This change is estimated to involve an additional £40m for em-

ployers.
The Government may regard this as a small change; many employers will disagree. Three months' notice is far from sufficient to the small change in the small cient in view of the minimum 90-day consultation period required for larger-scale redundancies and the 12-week minimum period of notice to which to preserving applications are long-serving employees are entitled. In effect, employers have only until May 1 if they are to comply with these legal obligations and still claim the

The Government's desire to The Government's desire to save money in this way entirely overlooks both the purpose and the funding of the redundancy rebate scheme itself. The Redundancy Fund, set up in 1965, was, and is, funded by a specific addition to National Insurance contributions (currently 0.15 per cent of payroll for employers, 0.25 per cent of wages for employees). The wages for employees). The rebate which started at 60 per cent, accompanied the introduc-

. If the Government considers that this method of spreading the cost of redundancies is n longer desirable, can it justify the addition of National Insurance contributions collected for this purpose? How can the Government justify this precipi-tous abolition of the rebate? Titmuss, Sainer and Webb, 2 Serjeants' Inn, EC4

Docklands light railway

From Dr G. Redman.
Sir,—The City of London
Corporation is reported (April
17) as having rejected for a
second time London Regional May 1

From Miss G. Keane
Sir,—Last November the Chancellor announced the virtual abolition of the redundancy payments rebate from October 31, 1986. After that date the rebate, 35 per cent of the statutory redundancy payment, would only be payable to employers with less than 10 employees. Despite the total lack of prior consultation, it could be said then in the Government's favour that 12 months notice was given of the change

enhance the status of the Waterloo and City line (which in any case is overdue for refurbishment and renewal of rolling stock) at a time when Waterloo station is destined to become the terminal for trains using the Channel tunnel to the Continent.

Given that the extension of

Given that the extension of the docklands light railway to the City has been laid down as an essential component of the whole Canary Wharf project, it appears to me to be very shortsighted for the City Corporation and LET (and British Rail) not to be sitting round one table and seeking an urgent and mutually satisfactory solution to the problem. (Dr) G. H. Redman, 69, Ripplevole Grove, N1.

Spending on research

Imperial Cancer Research Fund From the Secretary,

Sir, — Sadly neither the Cancer Research Campaign nor the Imperial Cancer Research Fund spend such a high propor-tion of our incomes on research as you quoted on April 16 (100 per cent and 95 per cent respectively).

We both quote the actual percentage in our advertisements.

For us it is 93.1 per cent and
for the CRC it is 92 per cent.
In both cases, the remainder has to be spent actually raising more money and on basic administration. As a matter of fact these expense ratios place us both very high on the list of effective fund raisers. (Major General) A. W. Dennis. Lincoln's Inn Fields WC2.

Abanashura technology for your faiture:

#### How the aluminium people keep fresh salmon fresh for 63 hours

product within the same

group of companies

Dependable air freight for perishable products has always been a headache for the world's food producers. Now the problem has been solved. In collaboration with SAS and Frigotainer, ASV has developed an air freight container based on an insulation technique that makes It safe for perishable products to be treighted long distances.

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technology research and develop-

Extensive development work has made it safe to freight perishable products long distances in insulated containers from ASV. Fresh salmon for quality conscious Americans come by air in insulated containers from ASV.

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ment and the group's own top-quality materials. ASV research From basic research to finished centres make their know-how avail able, as do special companies within the group. This total mix en-ASV products are a result of highsures technologically advanced products at competitive prices. This is how we are today able to

> International network of cooperation

produce containers and pallets for

some of the world's leading airlines.

ASV has subsidiaries and cooperating partners throughout the world, including the USA, Sweden, Den-mark, the United Kingdom, Germany, Finland and Hong Kong. They take care of personal contacts and the service aspect for our clients, and maintain the close cooperation we regard as necessary to achieve the best results.

Would you like to know more about how ASV can extend your opportunities for using aluminium? Simply fill in the coupon and return it to ASV Alu-



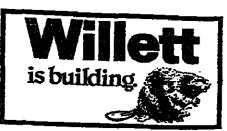
ASV develops air freight containers and markets them to the world's leading airlines. Here, in front of one of the containers, Director Tom Leegaard, Marketing Manager Jan Helge Nielsen and Sales Manager

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### **FINANCIAL TIMES**

Wednesday April 23 1986



#### UK's new market regulators demand immunity

THE self-regulatory bodies which are due to police London securities markets in the City's new structure yesterday issued a strong joint warning that they will not operate unless they are given protection against litigation.

The self-regulatory organisa-tions (SROs) have collectively decided that it would not be possible to invite members to join, or people to serve as directors or officers, unless SROs receive a similar indemnity from litigation to that accorded to the Securities and Invest-ments Board (SIB)," they said. The six SROs, including the Lon-

don Stock Exchange and the International Securities Regulatory Organisation (Isro), which represents the Euromarkets, are seeking an ndment to the Financial Services Bill now before parliament. Last week they wrote to Mr Michael Howard, the minister overseeing the bill, asking him to reconsider the Government's refusal to provide immunity on the same basis as for the SIB, which is to be the

umbrella regulatory authority.

Their position is based on opinion sought jointly from legal counsel at

The SROs said: "Counsel's opinion makes it clear that the dis-charge of the SROs' regulatory functions will expose them and their officers to substantial risks in respect of liability to damages.

These risks are judged to be po-tentially truly massive and might well involve members of SROs in unlimited liability."

The emphasis on the dangers of as firms carrying on investment business in the UK will be expected to be - goes further than previous pressure from SROs on the indemnity question. They have previously stressed risks potentially attached to serving as an SRO officer, and said they could not invite lay members to sit on their governing

Under the bill, all firms which are not members of SROs will be rethe SIB, which would then have to oversee them directly. The SIB is

The legal opinion received by the SROs is understood to argue that the bill could be amended to put a limit on the liability of SROs to claims for damages. Officers and employees of SROs, it says, could then be given complete immunity from liability if SROs could show that they were unable to recruit

The lawyers argued that granting partial immunity to SROs, such as from legal action against them by their own members, might not hold

#### Nasdaq and London launch prices link

Continued from Page 1 development of automatic execu-

tion of international trades. Mr Stephen Raven, chairman of the London exchange's International Markets Committee, yesterday enacted the first trade under the new link, buying 1,000 shares of Electrolux from a Nasdaq member in New York, Bernard Madoff. The trade was based on a price quoted by Mr Raven's firm, Rowak, on the London exchange's automated quotation system, and visible to Mr Madoff on his Nasdaq screen through

As well as distributing US market-makers' prices through the London quotation system, the NASD is discussing an agreement with Reu-ters, the UK-based business information group, under which Nasdaq prices on as many as 500 stocks would be seen on Reuters screens.

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World Weather

### UK licence round proceeds but Shell-Esso plan shelved

SHELL and Esso said yesterday that they had rejected plans for the £2.5bn (\$3.8bn) joint development of a cluster of five oil and gas fields in the North Sea.

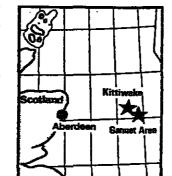
The announcement came as the British Government confirmed that it was to press ahead with a 10th offshore oil and gas licensing round despite the collapse of oil prices and the cut in North Sea exploration. The Energy Department is determined in part to encourage the North Sea supplies industry.

Although larger oil companies said they were quite happy to see no delay in the 10th round, the move was less well received by small UK exploration companies.

One said yesterday: "We need new offshore exploration like a hole in with no cash call on the industry.

Brindex, the association of British ernment independent oil companies, said yesterday: "We would have pre- on offer, concentrating on the ma-

fort to make the round enticing for as the Irish Sea and the English even the smaller companies. It will Channel. not anction any of the blocks on of-fer, which Dr Phipps said yesterday "was a very positive aspect." It is nies seeking prime blocks should



the head."

The previous licensing round in Dr Colin Phipps, chairman of 1985 raised £122m for the UK Gov-

ferred it if the 10th round had been ture producing regions of the North Sea. The Government has steered The Government has made an ef- clear of offering tracts in areas such

link the application with a bid to drill in deep water frontier acreage. The Energy Department recognises that in the current climate a continuation of that policy might result in-the oil industry's walking away from the round.

The 10th round is likely to be completed early next year. Mr Alick Buchanan-Smith, the Energy Minister, said yesterday "The round is aimed primarily at consolidating on the 9th round and encouraging ex-ploration in those areas which mert more intensive examination."

The reluctance of the oil industry to make big new investments in the North Sea was brought home yesterday by Shell's decision not to proceed with plans to undertake the first ever development of a cluster of small North Sea oil and gas fields. Shell and Esso had said last year that they were considering the development of four fields in the Gannet area together with the Kittiwake field, at a cost of £2.5bn. It was the most costly new development ever considered for the UK.

Last year Shell said that Gannet onstruction work would provide 6,000 jobs over three years Opec pessimistic about oil price,

### Mobil reports 38% gain in quarter

per cent jump in first-quarter net \$59.1m in the first quarter of 1985. income to \$440m. Freeport-McMoRan and Diamond Shamrock, two smaller US energy groups, meanwhile reported losses, underlining the widely differing impact of the recent collapse in oil prices. Diamond Shamrock, which has

MOBIL Off, the second biggest US ing oil and gas prices, reported a ings at present were lower on averoil group, yesterday reported a 38 S10m loss, after net income of

Freeport-McMoRan, a New Orleans-based natural resources group, reported a S133.2m first quarter loss as a result of a \$149.6m writedown of its oil and gas assets.

Mr Allen Murray, Mobil's Chair-

age than those for the first quarter. Marketing and refining margins were declining. Future earnings were likely to be "sharply lower" unless crude oil and gas prices increased from current depressed

Mobil earned \$1.08 a share in the Diamond Shamrock, which has long been regarded as one of the companies most vulnerable to fall- and gas producing prices and earn- latest quarter against 78 cents a share a year ago. Revenues were \$151.15n.

### Chirac faces fire from right on 'timidity' toward free markets

BY DAVID HOUSEGO IN PARIS

further in applying free-market economic policies.

most strongly voiced by Mr Jean-Claude Casanova, once an adviser to Mr Raymond Barre, the former prime minister, and now a columnist in the weekly magazine L'Ex-press. In an article in the current issue, he accuses the Government of "timidity" and of lacking the courage of its convictions.

You cannot both gamble on the success of [an economic] policy and its failure," he writes. He accuses the government of contradiction in cutting public expenditure while ing the creation of new jobs for the young and in fighting infla-tion while giving way to French farmers over increases in farm

"You cannot both reduce public expenditure and at the same time subsidise employment," he says. You cannot fight inflation and inrease agricultural prices." rom within the liberal UDF party,

the conservative administration of was kept out of the post of economy energy sector or on providing more quired to register individually with Mr Jacques Chirac has not gone minister by Mr Chirac and that its competition in the banking system. more free market policies have also been set aside.

Within the UDF's ranks there is disappointment that the lifting of narrow majority - has been more price and exchange controls is so far only partial. The critics also feel that cuts in government expenditure - amounting to only FFr 10bn (\$1.4bn) in the supplementary budget announced last week - did not go deep enough,

They think the Government's decision to continue to provide sub-stantial aid to shipyards, to the car manufacturer Renault and to the steel industry reflects a nostalgia for state intervention that the Right they have warned the government had pledged to abandon before the

ment of policy before parliament on those lines

DISAPPOINTMENT is beginning which feels that its leader, former contained nothing on the deregula-to surface on the French right that President Valery Giscard d'Estaing, tion of the telecommunications and This criticism - still muted in

public among parliamentary depu-ties because of the Government's publicly voiced in the right-wing press. L'Express, for instance, belongs to Sir James Goldsmith, a committed free marketeer who supported Mr Chirac in an editorial before the elections.

gun to emerge in Le Figaro, the flagship of Mr Robert Hersant, the French press magnate. Although editorials have endorsed the overall direction of government policy, against being too cautious over the

They are privately criticising Mr
Edouard Balladur, the Finance
Minister, for imposing on Electricities de France (EDF) a 1 per cent cut in its tariffs last week after the handling of the US bombing of Triptata. state electricity authority had oli and Benghazi. Mr Giscard d'Es asked for a 1.5 per cent increase to taing in a public statement came help to reduce its financial deficit.

Out in support of the US and has They are sad that Mr Chirac's state-written to President Ronald Reagan

### Industry 'losing competitive position'

BY OUR PARIS CORRESPONDENT THE EXPECTED overall improve-

nent in the French trade account this year concealed worrying trends that reflected a loss of competitiveness by French industry, Mr Michel Noir, Minister for External Trade, asserted yesterday.

Mr Noir said that with an oil

price of \$15 a barrel and an exchange rate of FFr 7.30 to the dollar. France would have a trade surplus of FFr 25bn to FFr 30bn (\$3.5bn to \$4.2bn) this year after a FFr 24bn deficit in 1985. But this surplus was due to a FFr 80bn sav-

was the decline in France's surplus cent in 1985 from 11.1 per cent in on industrial goods and its loss of market share in manufactured products - particularly within Eu-

available - the surplus on industrial trade picture - notwithstanding the goods declined to FFr 3.1bn against sharp drop in energy imports - is an average for 1985 of FFr 6.9bn.

goods declined by 14 per cent last to adapt to changing world demand year to FFr 8.3bn. In March – the and inadequate marketing abroad. last month for which figures are

Mr Noir said that France's share of world trade fell from 5.6 per cent menting policies that could stimu in 1984 to 4.9 per cent in 1985. late domestic demand. France's share of trade in manufac- Last year French n

France's "increased vulnerability" was mainly attributable, he said, to a loss of price competitiveness, the failure of French industry The continuing fragility of the one of the reasons why the Government has been cautious in imple

Last year French manufactured tured goods had fallen to 9.3 per imports rose 5.9 per cent in volume

### EEC partners to expel Libyans

Continued from Page 1

The British move is likely to raise includes 2,000 students. Among to liaise with police and intelli-them are 250 technicians and traithem are 250 technicians and trainee pilots at Heathrow Airport. Gareign Ministry is believed to have twick Airport and the Oxford

West Germany is planning to sharply reduce the size of the staff at the Libyan People's Bureau in Bonn. It is expected to order up to half of the 41 embassy personnel to

The aim is to bring the Libyan representation into line with the Embassy in Tripoli, currently and said he was seized after a tip-standing at 22. It is possible that off from London police.

have at least one dependant, the Bonn will reduce the number of its own staff in the Libyan capital. The Germans are also thinking of tension within the 7,000-strong Lib-stationing security attaches in se-yan community in Britain, which lected embassies in the Middle East

> reservations about such a move. West Berlin police, hunting the organisers of the discotheque bombing two weeks ago, said yesterday that a man arrested at the weekend was the brother of a Jordanian detained in London for try-

ing to blow up an Israeli airliner. A spokesman identified the man size of the staff at the West German as Ahmed Nawaf Mansour Hazi, 35,

#### German banks lift role in **Euronote** market

WEST GERMAN banks are gradually becoming more involved in the controversial business of supplying Euronote back-up facilities after a period of marked reserve, according to the Bundesbank's latest monthly report, released today.

The central bank noted that Ger-man banks had so far played only a modest role in this fast growing and highly competitive market sector, hecause of caution and the slim margins available.

But it added that the banks were now evidently boosting their activi-ties in the field, where US and Japanese banks were the market leaders, not least through their offshoots in foreign financial centres. Since mid-1985, German banks had either led, or been involved in, the arrangement of a total of \$340m worth of back-up facilities for leading German companies, the Bundesbank said.

The Bundesbank's comments come just after the release of a study by the Bank for International Settlements (BIS) expressing strong reservations about the impact of innovation on the stability of world financial markets.

The study warns, among other things, that many new instruments are priced too low, so that banks find it hard to build an adequate capital buffer against the risks involved, and that monetary policy is

being impaired.
The Bundesbank shares those reservations, not least with respect to Euronote facilities, under which a borrower can issue short-term paper backed up by bank underwrib ing commitments.

The central bank emphasise

that under those arrangements, borrowers feel assured of finance at attractive rates, holders of the pa-per believe they can dispose of it at almost any time – and the banks imagine they would have to make good their commitment only in the most extraordinary circumstances. "It is apparent that the expecta-tions of all three participants can-not always be fulfilled simultaneously," the Bundesbank comments. If the market turned sour, the banks might indeed have to pro duce back-up funds, and could not necessarily avoid doing so through

The Bundesbank recalled that German credit supervisory authorities were already considering how best such off-balance-sheet risks could be taken into account through a change in regulations.

It is proposed that - as in Britain one half of the banks' obligations inder Euronote issuance facilities should be counted as loans for the purpose of calculating capital-to-lending ratios. A decision is expect-

The central bank also noted that, from the end of June, German banks are to provide the authorities with more details of their offinstruments. So far, as the BIS report underlined, there has been a marked lack of information available about the issue.

Generally, the Bundesbank said, customer demand in Germany for Euronote facilities and similar innovations had not been as strong as in

One reason, it suggested, was that the German universal banking system (all facilities under one roof) had long proved highly flexible in having to resort to the use of wholly

#### Olivetti buys Triumph-Adler

Continued from Page 1

office equipment (typewriters, pho-tocopiers and calculators), while computers account for the balance. Triumph-Adler is believed to have 3 to 4 per cent of the European mar-ket in personal computers and around 8 per cent of the West German market.

The Olivetti purchase of Trimnh-Adler is the latest in a series of recent acquisitions made by Italian companies outside Italy. Other recent deals include Fiat's participation in the rescue of Westland in the UK, the taking of majority con-trol of France's Beghin-Say sugar and paper products group by Ferruzzi of Ravenna and the launch of the first private commercial television station in France by Italy's Mr Silvio Berlusconi. Mr de Benedetti purchased 19.4 per cent of the Valeo car components group in France via his CIR holding company (he has also launched a partial bid to increase his Valeo stake to 36 per cent) and Pirelli acquired the Metzeler tyre and rubber products subsidiary of Bayer in West Germany.

#### THE LEX COLUMN

### Rolls-Royce on the testbed

pectus, the 1985 annual report of Rolls-Royce is all that any share salesman could wish. It is glossy, but restrained in design, and despite a liberal sprinkling of blue-sky glamour photography it projects an attractively sober image of the smoothly running public company that Rolls wants to become early in

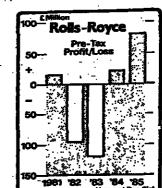
More than most other privatisa tion candidates, Rolls has already set about drawing its accounts into a form that will prove digestible to the stock market analysts. There are no arcane policies on inflation accounting such as the market will have to assimilate with British Gas, nor any inflation accounting, come to that. Unlike British Aerospece Rolls sets its development expenditure straight against current profits; there is not the smallest trace of capitalised education costs.

Rolls is also fortunate in its timing. After a spluttering flight through the early 1980s, there is the beginning of a stable profit record on which to float Forecasts of £100m pre-tax for 1986 will be a natural number for the City to crunch crease over the 1985 figure of £81m. On a normal tax charge, which Rolls will not be paying for a couple of years to come, and on a prospec-tive BAe multiple of about 10, Rolls could be capitalised at about £750m. But that is before anybody starts to make play with the cash injection that Rolls will receive as part of the issue. If the Government allows Rolls to raise £200m, that would wipe out most of the interest charge, and on a constant multiple

could increase the sale value of the company by another £200m. Underneath all these rosy speculations, however, Rolls and the Government will have a hard time persuading the City that this is indeed an entirely different company from the one that crashed in 1971. And even with a strengthened balance sheet and its new emphasis on international collaboration, there must be some hard questions about how Rolls will be able to hold its own in the company of General Electric and United Technologies.

#### Guinness placing

Presumably the post-acquisition earing of Guinness was never the subject of any undertaking to the OFT, otherwise there might have



been some pained glances at yesterday's £270m arrangement to buy in 90m new Guinness shares for can-cellation. Yet the advantages to Guinness shareholders are patent. The shares have been saved from the expected battering which they would have suffered if both Argyll and the supporters of Guinness had tried to get their holdings placed. Hit with only one barrel, the shares actually closed higher than the 300p over, given talk of a significant in placing price. Further ahead, the short-term increase in debt will that would have been in issue. If cash out of Distillers by about next

#### London/Nasdaq

The electronic bridge between terday as the beginning or use sub-bal network for 24-hour equity trad-respite.

The mere fact that all forecasts tors will have access through Topic are for a further fall in the dollar screens to competing bid and offer prices for Nasdaq securities while, in return, the US market will see a The Bank of Japan found that it

best. After the Big Bang, Wall Street will be able to see the best bid and offer on any stock, but Lon- also approaching.

don has not yet decided whether to make competing quotes available. To develop the London market on the Nasdaq model of competing market-makers and then not let Wall Street see the competition in action would be a little odd, not least as Reuters and others will be happy enough to oblige if the Stock Exchange does not

London, meanwhile, sees a fullish list of Nasdaq securities (though no UK ADRs) and a range of competing prices. But what the electronic bridge does not provide, which Instinet does, is an on-screen execu-tion service. So long as the bridge is used primarily for big block trades, this may not much matter. But if the two exchanges are really to steal a march on the private-sector competition, they must develop a common clearance and settlemen facility. Without it, the bridge opened yesterday will be just one among many ways of crossing the Atlantic at the press of a button.

#### Currencies

Everything seems to be going against the dollar at the moment. Yesterday's US durable goods numweigh less heavily on Guinness's ber, showing a 2.5 per cent drop in earnings than the additional shares orders in March despite a sharp rise in defence buying, only reinforced the impression that last week's first-quarter GNP figure Thursday week, it should not have looked better than it should have been allowed to take the company Foreign exchange dealers want looked better than it should have. proof positive of a stronger US economy, which even the optimists do not expect until the autumn, before they will stop selling the dollar. An end to cuts in the discount rate or an improvement in the trade defthe London Stock Exchange and icit might just satisfy them but Nasdaq was boldly presented yes-terday as the beginning of the glo-only technical reactions offer any

single middle price for the FTSE was mable to intervene against the 100 constituents and competing lide certainty in the market abspreads for international stocks sence of help from other central traded in London.

The UK market seems for the ing the nasty effects of a rapidly rismoment to have the better half of ing currency, as Honda Motor's re-the bargain. No Wall Street dealer sults showed yesterday, which does is going to use a single mid-price as not add to Mr Nakasone's survival the basis for trading, so the FT-SE chances; but Japan finds little symist will provide general guidance at pathy in Washington, where the protectionist lobby is still eveing

, tabit



### Phillips Petroleum Company **United Kingdom Limited**

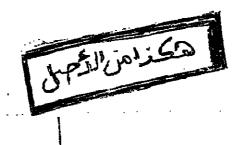
has sold its interest in the

"T-Block"

Agip (UK) Ltd Century Power and Light Limited

The undersigned acted as financial adviser to Phillips Petroleum Company United Kingdom Limited

Morgan Grenfell & Co. Limited





#### SECTION II - COMPANIES AND MARKETS

### **FINANCIAL TIMES**

Wednesday April 23 1986



### Chrysler profits slump as it holds prices down

ing its wage contract settlement

Net income amounted to \$356.9m,

Unit vehicle sales rose by 3.6 per cent, with shipments of 566,300 vehicles against 547,000 a year ago, but the group's market share in the US and Canadian car and truck sector showed a fall to 11.5 per cent from 13.2 per cent, largely because

Hoechst

to raise

**DM 864m** 

leum Corporation, also confirmed

yesterday that it was to raise its

dividend for 1985 from DM 9 to DM

Hoechst, which increased pre-tax

profits by 10.7 per cent to DM 3.16bn last year, said the new shares could be bought between

April 30 and May 18 at DM 270 a share. The group's stock has been trading around DM 300 this week.

The rights issue should raise

Hoechst's nominal capital by DM

The company has not made clear

why it wants the new money. The

group has, however, spent more

than Sibn in recent months on ac-

quisitions in the US while suffering

at the same time a sharp decline in export revenues from the US as the

dollar continues to fall against the

MR André Rousselet, chairman of

Havas, the French state-controlled

media group, is expected to resign

today. His resignation is the first of

a French state-sector chairman ap-

pointed by the former Socialist

The resignation of Mr Rousselet, a long-time friend of President

François Mitterrand, coincides with

the new right-wing Government's

privatisation plans for state-sector industrial, banking and insurance groups and the deregulation pro-

gramme for broadcasting. Havas is among the state groups the new Government intends to privatise.

The French Government owns

50.26 per cent of the group, which has big operations in advertising,

television, tourism and publishing.

to step down from Havas, he indi-

cated he wanted to continue to head

Canal Plus, the French pay televi-

After a difficult start, Canal Plus

loss of FFr 2.5bn (\$357m). But Ha-

vas is expected to report a net profit of more than FFr 100m for 1985.

Among candidates interested in

ecquiring a stake in Havas or some

of its diverse interests is Moët Hennessy, the leading French champagne and cognac concern.

Although Mr Rousselet planned

Havas chief

German currency.

expected

to resign

CHRYSLER, the third-largest US car company, was hit by a sharp 30 per cent fall in net profits in the highly effective "thank you, charge, based on 41 per cent of prepares the highly effective "thank you, charge, based on 41 per cent of prepares the highly effective "thank you, charge, based on 41 per cent of prepares the profits in the highly effective "thank you, charge, based on 41 per cent of prepares the profits in the highly effective "thank you, charge, based on 41 per cent of prepares the profits in the highly effective "thank you, charge, based on 41 per cent of prepares the profits in the highly effective "thank you, charge, based on 41 per cent of prepares the profits in the highly effective "thank you, charge, based on 41 per cent of prepares the profits in the highly effective "thank you, charge, based on 41 per cent of prepares the prepares the profits in the highly effective "thank you, charge, based on 41 per cent of prepares the profits in the highly effective "thank you, charge, based on 41 per cent of prepares the profits in the highly effective "thank you, charge, based on 41 per cent of prepares the profits in the highly effective "thank you, charge, based on 41 per cent of prepares the profits in the highly effective "thank you, charge, based on 41 per cent of prepares the prepares the prepares the profits in the highly effective "thank you, charge, based on 41 per cent of prepares the prepares the prepares the prepares the profits in the prepares the pr first quarter of this year, reflecting its decision to forgo price increases despite higher labour costs followthree US motor groups, underline

Section of the sectio

the increasing pressure being exerted on car company margins by their efforts to stimulate sales in the face or \$2.36 a share, against \$507.6m, or \$2.79, in the same period of last year, while sales rose by 6.8 per cent to \$5.78bn from \$5.41bn.

efforts to stimulate sales in the face of flagging demand. All of the big three continued to offer cut-rate financing in some form during the first quarter and are currently building up to a price battle follow-ing the decision of General Motors to raise its prices by 2.9 per cent. In addition, Chrysler's results, adjusted to take account of a three-for-two stock split in February,

per cent. The company has progres-sively increased its tax provision since its emergence from near bankruptcy, which allowed it to es cape tax entirely for several quarters before last year.

Mr Lee Iacocca, chairman, warned that second-quarter earnings would be hit by investments in new models which would cause closures in two large assembly plants. But he added that the company had ambitious plans to launch nine new models over the next 18 months to position it to "meet future market

### Italian merchant bank awaits change in law

BY JAMES BUXTON IN ROME

FIVE LEADING Italian banks have By Peter Bruce in Bonn HOECHST, the West German merchant bank. But the institution, chemicals group, is planning to raise DM 864m (\$391m) in a 1-for-20 called Finbancaria, will not be able rights issue at the end of this to fulfil all the functions intended month. The company whose biggest for it until the Italian Parliament shareholder is the Kuwait Petro-

passes a new law. Finbancaria is a joint venture between Cariplo, the Lombardy sav-ings bank, IMI, the state-owned investment institution, San Paolo di Torino, Monte dei Paschi di Siena, and Banca Popolare di Novara. It will have initial capital of L5bn (\$332m).

The bank will provide financial services to Italian companies such

But it will not be able to buy and established what they claimed was hold shares on its own behalf in the first of a new breed of Italian other companies. Nor will it be able to collect savings from the public. This is because a new law, which would authorise the existence of merchant banks operating on these lines, has yet to be approved by

> At present only Mediobanca, which is partly owned by the state and partly by the private sector, has the right to carry out this kind of operation. Finbancaria intends to match it when it is authorised to do

Meanwhile it will join the small as arranging stock exchange quota-tions, placing share issues and buy-tutions which offer financial ser-ing and selling shares on behalf of vices to their clients in competition

#### Largest silver mine in US is shut down

cent of its workforce.

The lay-offs of 420 hourly paid

cent of its workforce. ownership plan.

The lay-offs of 420 hourly paid workers will be effective immediPetroleum and two smaller energy staff will lose their jobs over the next few months.

Mr G. Michael Boswell, the company's chairman and chief executive, said the Sunshine Mine, which last year produced 4.7m ounces of silver (123 per cent of the US total), would not be reopened until it could be operated profitably.

THE Dallas-based Sunshine Mining
Company this week closed the US's
biggest silver mine at Kellogg, Idafor a 35 per cent reduction in wages ho, and indefinitely laid off 50 per and benefits, coupled with a stock

> diversify its revenue base, reported a net loss of \$58m last year. Payment of preferred stocks dividend increased the loss to \$63m.

The silver mine contributed about \$30m to the company's total operating revenues of \$169m but had a negative cash flow of between \$5m and \$6m.

### Multinational Arab bank group lifts earnings

THE AL UBAF banking group, the multinational Arab banking group. has reported higher net earnings of \$34.8m last year compared with net profits of \$28.7m the year before.

The banking group's overall assess including contingent liabilities totalled \$15th last year, increasing from \$13th the year before.

The group includes seven banks in different parts of the world of sion channel 25 per cent owned by which the largest is the Paris-based is turning into a broadcasting success in France with nearly 1m sub-Union de Banques Arabes et Fran-caises (Ubaf), which accounts for about half of the group's total scribers. Canal Plus losses pushed Havas into the red in 1984 with a

(\$8.7m) last year, and net profits rose from FFr 51m in 1984 to FFr 54m last year. The group's Frenchbased bank opened a new branch in Osaka, Japan, this month.

The banking group, which has so far concentrated on trade finance, Eurocredit syndications and export credit business, is moving into investment banking in the money management field and into the development of money market

Among the group's various banks, the Italian-based Ubae Arab Italian Bank is doubling its capital from L30bn (\$19m) to L60bn

#### Lornex profit C\$4m in quarter

LOWER first-quarter earnings of CS4.1m (USS2.96m) are reported by Lornex Mining, the Rio Tinto-Zinc group's Canadian copper-molybdenum producer in British Columbia. They compare with C56.47m in the previous three months and C\$5.27m previous three months and C\$5.27m in the first quarter of 1985.

tion, higher copper prices and a fa-vourable exchange rate against the

The reduction reflects a 25 per cent fall in molybdenum prices, lower copper output and a higher effective tax rate. These factors offset increased molybdenum produc-

communications equipment. Income from operations, before taxes, interest payments and spe-cial items, increased to \$51.7m in

The group said revenues in the latest quarter had grown by 26.4 per cent to \$819.4m from \$570.7m in the by the end of 1986."

### Fiat ready to buy Libyan stake

ready to do so at any moment."

Triumph-Adler, the West German office equipment company, was struck on consolidated group turnover of L6,140bn up by 34.1 per cent on 1984.

OLIVETTI, Italy's leading office automation maker and the biggest Eu-

ropean-owned company in the sec-

nounced a 41.5 per cent increase in

consolidated net group profit, to

**Olivetti** 

profits

jump

41.5%

Olivetti's total net indebtedness at the end of 1985 stood at L190bn, against L319.3bn at the end of 1984. This represented 8.3 per cent of the group's equity base, which was L2,280bn, some L322bn higher year-

on-year.
The net group profit represented 8.2 per cent of total turnover, a margin which compared with 7.8 per

Last year Olivetti spent L466bn on capital investments and L284bn on research and development. The latter representing 4.6 per cent of total revenues.

over to L3,487.4bn and a 39 per cent rise in net profit to L329.5bn. The company is proposing a dividend payment of L320 per ordinary share, against L275 in 1984 and

#### **Bristol-Myers** earnings and sales soar

By Our New York Correspondent

BRISTOL-MYERS, one of the leading US drug companies, swept to record sales and earnings in the first quarter of this year, helped by exceptionally strong growth in werseas turnover.

Net earnings were up 17.6 per cent to \$144.6m, or \$1.02 a share, against \$122.9m, or 87 cents, in the same period last year. Sales rose by 10.3 per cent to \$1.19bn from

The results underscore the generally improved performance of the first three months of the year, when they benefited in particular from the favourable impact of a declining dollar on overseas sales volumes and currency exchange adjust-

ments. Mr Richard Gelb, chairman, said that domestic and international sales had been strong in the quarter, but the largest growth was increased by 17 per cent.

#### Carson rejects 'sweetened' Baytree offer

based department store chain, has rejected a sweetened \$470m take-over bid by Baytree Investors, a group of local investors.

Baytree's latest offer was pitched at \$47 a share, and Carson's board has already rejected two previous bids of \$35 a share and \$36. It has also issued a preferred share "poison pill" that would make any take-

over costly. Mr Betnard Krakower, a Baytree principal, said the bidding group was "shocked and surprised" by Carson's decision. But Mr Peter Willmott, Carson's chairman and chief executive, told shareholders in a letter that "from what we read about the principals of Baytree, we conclude they are merely corporate pirates preparing to plunder Car-

MR CESARE ROMITI, managing director of Fiat, has admitted that the group faces "genuine problems" because of anxiety in the US that the Libyan Government holds 15 per cent of the company's equity.

Mr Romiti reminded an Italian

newspaper interviewer, that IFI, the holding company controlled by the Agnelli family, had first option to buy the Libyan stake should Libya decide to sell it and that IFI was Libya, however, has given no sign

L503.7bn (\$335.8m). The result, released along with the news of Olivetti's takeover of

cent in 1984 and which is among the highest in Italy

Olivetti's parent company achieved a 36.6 per cent rise in turn-L340 per savings share

The Olivetti board also decided yesterday to propose an increase in share capital so as to make available 10m savings shares to employ-

#### concern, forecast that its firstmarter income and sales would fall elow that of the corresponding period a year ago, mostly due to continuing losses in its electronic comonents division.

Philips predicts fall

in income and sales

Net income amounted to FI 289m (\$114m) in the first quarter of 1985, the traditionally strongest quarter of the year, while sales amounted to Fl 13.68bn. Philips told the annual shareholders' meeting in Eindhov-en yesterday that first-quarter sales would decline in guilder terms due

to foreign-exchange rate changes. In volume terms, however, sales

BY LAURA RAUN IN AMSTERDAM PHILIPS, the Dutch electronics would rise in the first quarter but more slowly than the 7 per cent rise in the corresponding period of 1985. The cyclical downturn in electronic components, notably microchips, was a major cause of the 17 per cent tumble in Philips' earnings last year. The company has predict-

> But the first quarter "confirms our expectations that any recovery in (overall) profitability will primar ily manifest itself later this year." the company said.

> ed that chip operations would re-

bound this year and approach

break-even after losing money last

the height of the Westland affair, in to the US." Some 31 per cent of Fiat which Fiat bought a stake in the is held by IFI. British belicopter company in alliance with United Technologies. It was suggested that Fiat might run foul of US sanctions against Libya like "Swiss bankers" inside Fiat. and that it might be risky to trans-

fer US technology to Fiat.
Mr Romiti, while acknowledging these problems, said that the US

The problem of the Libyan stake same group linked by traditional in Fiat was raised in Washington at ties of friendship and collaboration

> He pointed out that Mr Gianni Agnelli, chairman of Fiat, said re-They did not interfere in managerial decisions.

Lafico has two directors on the reaction was excessive. "Everyone board of Fiat, one of whom also sits knows," be said, "that the control of on the board's executive committee.

#### Car division doubles profit for year

BY KENNETH GOODING IN TURIN

FIAT AUTO, the car division of Italy's largest private enterprise group, more than doubled its profit last year and will show a further increase in 1986, Mr Vittorio Ghidella, the chief executive, said yesterday. In 1984 Fiat Auto's net profit was .256bn (S170m), Mr Ghidelia said profitability could not be expected to grow at the recent pace because the European car business was too ompetitive. He aimed for a stable

Mr Ghidella said Fiat Auto expected to cover all its investment requirements from its

the increased level in 1987.

resources. In answer to questions during the evel of profit so that Fiat Auto run up to the Turin Motor Show, he

The Libyan Government's stake

is held through the Libyan Arab

Foreign Investment Company (Lafi-

co). On Monday, an executive of

Lafico based in Rome was arrested

by Italian police and accused of in-

volvement in terrorist activities

when working at the Libyan embas-

sy in Rome, where he was a diplo-

Recently, there were protests in

the US when Flatallis, the earth

moving equipment subsidiary, put in a bid for a US government con-

could cover investment require-

ments, which were reaching a cycli-

Capital investment this year will

mat until last year.

jump to about L1,500bn from L1 000bn in 1985 and continue at Fiat had the youngest car range

ern Europe's new-car market leader with a share of 13.6 per cent.

this would happen.

suggested Fiat Auto was ready to three years ago, was Europe's best be floated with its own stock- selling car in the first quarter, beatexchange quotation but could give ing the Volkswagen Golf. The Uno no indication when - or even if - is being produced at the rate of more than 3,000 a day

Fiat expected to sell more than in Western Europe with an average 1.5m cars this year against 1.42m in age of 3.2 years. This showed the 1985 and break even levels of outgroup's ability to compete. In the put down to 1.2m compared with first quarter of 1986 Fiat was West- 1.65m in 1980.

Mr Ghidella said Fiat Auto was open to overtures about joint ven-The Uno supermini, launched tures or even a merger.

#### Oerlikon-Buehrle plans to resume dividends

OERLIKON-BUEHRLE, per cent.

15.9m (\$8.45m). The total profits and aircraft divisions. sum is brought up to SFr 25.2m by The company received to the compan earnings

dated net income more than ehrle, had received a SFr 1bn order doubled from SFr 15m to SFr 37.3m from the Canadian Government

the despite a slight drop in turnover Zurich-based industrial concern, and further depreciation payments proposes to resume dividend pay- of SFr 25m in connection with dements this year with a payout of 5 velopment costs of the Adats missile system.

Oerlikon-Buehrle holding, the The decline in group sales, from parent company which passed a SFr 4.93bn to SFr 4.86bn, had aldividend in respect of 1983 and ready been forecast by the compa-1984, reports an increase in its net ny and is attributed to a fall in the earnings from SFr 1.3m to SFr turnover of the military products

ight up to SFr 252m by The company received a major previously carried boost last week when it was announced that its subsidary, Werk-For the group as a whole, consoli- zeugmaschinenfabrik Oerlikon-Bu-

New Issue

This announcement appears as a matter of record only

March 1986



### Fermenta AB Fermenta Holding Company Inc.

US\$ 30,000,000 Stock Issue Arrangement

Subscribed by

Credit Agricole FennoScandia Limited

Gota (UK) Limited

**Hambros Bank Limited** 

Kansallis Banking Group

Arranged by

Gota (UK) Limited

#### Suez boosted by capital operations By Our Paris Staff

W 150

COMPAGNIE Financiere de Suez the French state owned financial concern, yesterday reported higher net earnings of FFr 657.1m (\$91.7m) for last year compared with net earnings of FFr 350.5m the year

The results are in line with the earnings forecast made last January by Mr Jean Peyrelevade, the Su-ez chairman. The higher earnings reflect a sharp increase in profits from capital operations, which rose from FFr 97.7m in 1984 to FFr

389,2m last year. Profits from other operations rose by 6 per cent to FFr 267.9m. The profits of the Suez group as a whole are due to be released next BY PAUL TAYLOR IN NEW YORK

MCI COMMUNICATIONS, the Washington long-distance telephone group, reported first-quarter net earnings of \$19.8m, or 8 cents a share, down sharply from net earnings of \$40.4m, or 17 cents, in the year-ago quarter when earnings were buoyed by an anti-trust settle-

ment gain partly offset by equipment writedowns. MCT's latest pet earnings were also depressed by the expected high-er local access charges of long-distance customers to local telephone networks and losses in Satellite Business Systems, the satellitebased telecommunications group

MCI earnings fall to \$19.8m

Excluding the effect of SBS op-erating results and the issuance of 47m extra MCI shares in conjunction with the SBS acquisition, the group said earnings would have increased to 525.9m, or 11 cents a the latest period, up from \$48.5m a share, in the latest quarter compared with \$17.2m, or 7 cents, a M. R.

year-ago period.

MCI noted that earnings in the

acquired earlier this year from IBM year-ago period reflected the im-in exchange for MCI stock. year-ago period reflected the im-pact of a \$63m anti-trust settlement with US West offset by a \$50.5m provision to cover the writedown of

will be seen in our financial results

### CHAIRMAN'S

Extracts for Year Ended December 1985

 New annual premiums up 60% and single premiums up 47% Mortgage-Related Life Assurance

30% increase in new business, comfortably ahead of 14% industry average

Investments

Assets are now in excess of £1000 million.

Rates of reversionary bonus have been maintained at record levels.

Rates of terminal bonus have enjoyed significant increases.

<u>Branches</u> New major branch opened in Croydon, pensions branch added in

A company-wide communications network was installed linking branch terminals, printers and word-processors to the head-office computer, so improving further the quality of service given to agents and policyholders.

and post-yniness.

Nationwide communications networks now being used to give intermedianies, direct access to our mortgage services,



#### **AUSTRALIAN MINING & SMELTING LIMITED**

SECOND NOTICE OF REDEMPTION OF ALL OUTSTANDING 9.25 PER CENT DEBENTURES DUE 1992

Australian Mining & Smelting Limited ("AM&S") hereby gives notice to all holders of its 9.25 per cent Debentures due 1992 ("Debentures") of its intention to redeem all outstanding Debentures. The redemption date is 29 April 1986 and the redemption price is 100.75 per cent of the principal amount of each Debenture together with accrued interest from 15 June 1985 to the redemption date.

On the redemption date, the redemption price will become due and payable upon all outstanding Debentures and interest shall cease to accrue on and after 29 April 1986.

Debentures together with all coupons appertaming thereto maturing after 29 April 1986 are to be surrendered for payment at the offices of Citibank N.A., Bond Redemption Department, Fifth Floor, 111 Wall Street, New York, New York 10043 and at the main offices of Citibank N.A. in Amsterdam, Brussels, Frankfurt (Main), Geneva, London, Paris and Tokyo, of Swiss Bank Corporation in Basle and of Kredietbank S.A. Luxembourgeoise in Luxembourg.

Withholding of 20 per cent of gross redemption proceeds of any payment made within the United States may be required by the Interest and Dividend Tax Compliance Act of 1983 unless the paying agent has the correct taxpayer identification number (Social Security number or Employer identification number) or exemption centificate

23 April 1986

### INTERNATIONAL COMPANIES and FINANCE

### CSX bids \$650m in battle for Sea-Land

BY WILLIAM HALL IN NEW YORK

poration, one of the world's biggest who has been steadily increasing container shipping groups, with a his stake in the company and now friendly \$650m offer.

CSX, which was formed in 1980 from the merger of two big US railroads, Chessie System and Seaboard Coast Line, announced that it proposed to acquire Sea-Land for \$28 a share in cash. Mr Joseph Abely, Sea-Land's chief executive, described the offer as "most welcome" and said it would be recommended to the Sea-Land board this week.

which has a fleet of 57 container ships calling at 76 ports around the world, follows mounting speculation on Wall Street about the firm's the commission other than approv-

CSX, the second biggest US railroad group, has stepped into the
battle for control of Sea-Land CorHarold Simmons, a Dallas financier

al of the satisfactory interim voting
trust arrangement.

Abad of the news Sea-Land

owns 39.3 per cent of Sea-Land's Earlier this month Mr Simmons increased his offer for the remaining Sea-Land shares to \$26 a share. It was unclear whether CSX's bid would be approved by the various US authorities which regulate the US transport industry since there

has always been concern about the and said it would be recommended to the Sea-Land board this week.

CSX's bid for control of Sea-Land, which has a fleet of 57 container would be sought from the Interstate Commerce Commission, the proposal was not subject to the approval of

Ahead of the news Sea-Land shares rose \$\% to \$25\%, and CSX shares were unchanged at \$35%, which capitalises the company at

CSX said the acquisition of Sea-Land would accomplish several objectives and enable the group to enhance its "one-stop" shipping con-cept. It said the problems of overcapacity and competition in the world container shipping industry were "far overwhelmed by the synergis-tic opportunities of the CSX-Sea-

Sea-Land had revenues of \$1.8bn and net earnings of \$14m in 1985. CSX had revenues of \$7.3bn and net income of \$442m last year.

### Imperial Oil to halve spending

BY BERNARD SIMON IN TORONTO

oil company, in which Exxon of the US has a 70 per cent interest, saw nounced plans to cut its workforce first-quarter earnings fall 26 per cent to CS96m (USS69m), or 59 cents Mr Haynes said further expanshare, from CS130m, or 81 cents, a year earlier. Revenues rose from S1.9bn to C\$2.1bn.

Mr Arden Haynes, chairman, anspending this year to C\$700m. He

after that." Imperial recently an-

sion of the Cold Lake oilsands project in north-east Alberta would be suspended until higher oil prices return. Cold Lake was commissioned nounced a 50 per cent cut in capital last year, with the initial four oil prices "within the next few plans later this year for further ex- proves."

IMPERIAL OIL, Canada's largest years, and it may be several years ploration in the Beaufort Sea off Canada's northern Arctic coast.

> The group also plans to reduce its refining and marketing operations, especially in Ontario.

Mr Haynes said the cuts were designed "to maintain investments that contribute to near-term earnlast year, with the initial four ings or preserve opportunity while stages producing 50,000 barrels of deferring those that can be called orecast no significant recovery in bitumen a day. Imperial will review forward as the environment im-

1985 \$ 175.8m 12m 0.25

1985 \$ 639.8m 20m 0.42

373.9n 36.8n 0.3

#### North American quarterly results

A. H. ROBINS Pharmacouticals			DART & KRAFT Foods, consumer products			HUGHES TOOL Drilling bits, cilfield services			
First quarter	1980	1985 S	First querter	1986 S	1965	First quarter	1986		
Revenue	191.4m	166.4m	Revenue	2.43bn	2.34bn	Revenue	247m		
Net profits	22 3m	30m	Net profits	154m	105.3m	Net profits	120.2m	ď	
Net per share	0.92	1.22	Net per share	1.06	0.73	Net per share	†0,36	•	
AMERICAN CYANAMI	•		PITNEY BOWES			ŤLOSS			
Chemicals			Mailing equipment			PRIME COMPUTER			
First quarter	1985	1985	First quarter	1966	1985	Data processing			
Revenue	917.9m	882.7m	Revenue	442.4m	410.8m	First quarter	1986		
Net profits	49.1m	45.8m	Net profits	37.1m	31.6m	_	<b>S</b> .		
Net per share	1.05	0.94	Net per share	0.94	0.20	Revenue	196.8m		
Net per sina citization			net per sagre	V.54	U.5U	Net profits	9.2m 0.19		
DANA Vehicle parts			MARTIN MARIETTA Defence, sercepace p	roducts		RYDER SYSTEM		_	
First quarter	1986	1985	First quarter	1986	1985	Transport services		_	
<u>-</u>	\$	\$		\$	\$	First guerter	1986		
Revenue	961.6m	952.6m	Revenue	1.1b <del>n</del>	1bn	400.000			
Net profits	34.3m	48.8m	Net profits	48.2m	27.7m	Revenue	857.8m		
Net per share	0.65	0,87	Net per share	0,84	8,47	Net profits	22.5m		
						Net per share	0.43		
					J	SOURE		_	
ents of the Council o					1	Pharmaceuticels			
public to subscribe f	or or pui	chase, a	ny securities.		- 1	First querter	1986	_	
					1	i	3		
						Revenue	558.9m	٠,	
			_		- 1	Net profits	53.6m		
_			•			I LEAS SA CALIFOR TO THE COLUMNIA	90.011		

This advertisement complies with the requirements It does not constitute an offer of, or invitation to the publi

£150,000,000

### Standard & Chartered

Standard Chartered PLC (Incorporated with limited liability in England)

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150,000 Warrants of

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Application has been made for the Notes, issued at 100,10 per cent., the Warrants, issued at £32.00 per Warrant, and the Bonds, if any are issued, to be issued at 100 per cent., to be admitted to the Official List by the Council of The Stock Exchange. Interest on the Notes will be payable quarterly in arrear in August, November, February and May of each year, beginning on 15th August, 1986. Interest on the Bonds, if any are issued, will be payable annually in arrear in May of each year, beginning on

Listing Particulars relating to the Notes, the Warrants, the Bonds, Standard Chartered PLC and Standard Chartered Finance B.V. are available in the statistical service of Extel Statistical Services Limited and copies may be obtained during usual business hours up to and including 25th April, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 7th

Standard Chartered PLC, 38 Bishopsgate, London EC2N 4DE

Credit Suisse First Boston Limited, 22 Bishopsgate, London EC2N 4BQ

Cazenove & Co., 12 Tokenhouse Yard. London EC2R 7AN

Standard Chartered Finance B.V., Herengracht 418, P.O. Box 3636. 1001 AK Amsterdam, The Netherlands

Standard Chartered Bank, 73-79 King William Street, London EC4N 7AB

23rd April, 1986

#### Price war takes toll on United **Airlines**

By Terry Dodsworth in New York THE price-cutting war in the US

airline industry took a heavy toll in the first quarter on United Airlines (UAL), the leading US carrier, which plunged into heavy losses

despite an increase in revenues.

The net deficit for the three months amounted to \$103.1m, or \$2.48 a share, against a loss of \$661,000, or 19 cents, in the same 1985 period. Consolidated operating revenues jumped by 23 per cent to \$1.98bn from \$1.59bn.

UAL's recently acquired Hertz rental car division and its Westin Hotels operations were both profitable in the quarter, but Mr Richard Ferris, chairman, said that debt taken on for the Hertz acquisition, along with the addition of Hertz's own debt, resulted in a rise of \$58.9m in consolidated interest

expense.

The group was also hit by the weakening exchange rate of the dollar to the yea, which led to an unrealised foreign exchange loss of

In the airline division, where the loss jumped to \$107m from a deficit of \$3.9m in 1985, the negative impact of the fare wars was exacerbated by a 14 per cent jump in operat-ing expenses to \$1.62bn from \$1.42bn. This growth in expenditure reflected expansion on the group's Pacific routes, the development of new services out of Denver and "unusually extensive flight crew train-

Earnings of the Hertz rental and leasing division, acquired last August, amounted to \$11.8m, with the industry benefiting from increased air travel. Hotel net earnings fell to \$1.8m from \$2.7m, following a decline of 3.1 percentage points in room occupancy to 63.5 per cent.

### Mixed results for US metals groups

major US metals groups, have re-ported contrasting results for the first quarter of this area.

first quarter of this year.

After last year's return to profitability which saw total earnings of \$29.5m compared with a loss of 31.7 cents per pound from 42.9 \$267.8m in 1984, the copper-producents. cing Phelps Dodge has made a good start to 1986.

compare with \$2.7m in the same period of 1985. The major factor in the better performance was the improvement in spot prices for copper cathodes, which averaged 65.1 cents per pound, 5 cents up on those of a year ago.

Asarco, a smelter and refiner has

PHELPS DODGE and Asarco, two mon shares together with a gain of

Asarco received better prices for its copper, but those for silver, lead and zinc were down, zinc falling to

The company also suffered from First-quarter earnings amount to a fall in the traditional premium on \$15.2m, or 44 cents a share, after including a \$6.2m tax credit. They compare with \$2.7m in the same pe company's purchases of copper-con-taining material for processing.

Currency exchange losses in the latest quarter reflect the holding in associated companies in Australia, Mexico and Peru which also suffered from low metal prices. Asarco made an increased loss for the first holds 44 per cent of the Australian quarter of \$29.16m, or \$1.22 a share, MIM Holdings. Last year MIM liftwhich compares with a loss of ed its stake in Asarco to 32.4 per sill in the first quarter of 1985.

The latest figure includes exchange losses of 512 – against gains acquired in a presumed bid ap-

#### US creditor claim settled by Galadari

bai-based group with wide-ranging interests, is said to have settled another of its creditors' claims.

DH 24m (\$6.5m) in unsecured loans, group. has withdrawn its cases for attachsettlement – on undisclosed terms – signed in the Dubai courts yesterday, lawyers for the group said.

GALADARI BROTHERS, the Du-syndicate of nine banks which lent Galadari Brothers DH 250m. It had filed independent cases for its unse-cured loans in Dubai when several American Express, the US finan- banks, including the syndicate, deial services group, which was owed cided to take action against the

With the latest settlement the Dument and recovery against three bai group has settled claims worth Galadari companies following the more than DH 85m with creditor banks. Total bank debts of Galadari

Brothers are in the region of DH American Express is part of a 900m.

This notice is issued in compliance with the requirements of the Council of The Stock Exchange

#### **GREAT PORTLAND ESTATES P.L.C.** (Incorporated in England under the Companies Act 1948, Registered No. 596137)

Issue by way of placing of £25,000,000 nominal of 9.5 per cent.

First Mortgage Debenture Stock 2016 at £97.963 per cent.

(Payable as to £25 per £100 nominal on acceptance and as to the balance on or before 24th October, 1986)

Stock to be admitted to the Official List. In accordance with the requirements of the Council of The Stock Exchange £2.5 million nominal of

the Stock is available in the market on the date of publication of this notice. Particulars of the Stock are contained in Listing Particulars which will be circulated in the Extel Stock Exchange, London during normal business hours on 24th and 25th April, 1986 and until 7th

8 Bishopsgate,

23rd April, 1986

Application has been made to the Council of The Stock Excha

London EC2N 4AE

May, 1986 (Saturdays and public holidays excepted) from: Baring Brothers & Co., Limited Great Portland Estates P.L.C. Knighton House, 56 Mortimer Street,

Cazenove & Co. 12 Tokenhouse Yard, London EC2R 7AN

U.S. \$75,000,000



·PEARSON.

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**Credit Suisse First Boston Limited** 

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Enskilda Securities

Cazenove & Co.

Nomura International Limited

Salomon Brothers International Limited

London EC2R 7AN

Swiss Bank Corporation International Limited

S. G. Warburg & Co. Ltd.

The issue price of the Bonds is 100 per cent, of their principal amount. Application has been made to the Council of The Stock Exchange for the Bonds to be admitted to the Official List. Interest will be payable annually in arrear on 14th May of each year, commencing on 14th May, 1987. Particulars relating to the Bonds and the Issuer are available in the statistical service of Extel Statistical Services Limited. Copies of the Listing Particulars may be obtained during usual business hours up to and including 25th April, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 7th May, 1986 from:

Pearson plc, Milibank Tower, London SW1P 4QZ

Lazard Brothers & Co., Limited, 21 Moorfields London EC2P 2HT

Credit Suisse First Boston Limited, 22 Bisho London EC2N 4BQ

Bankers Trust Company, shwood Hou 69 Old Broad Street London EC2P 2EE

23rd April, 1986

#### INTERNATIONAL COMPANIES and FINANCE

### Burroughs: a new self-confidence

By Paul Taylor in New York

INSIDE Burrough's downtown Detroit headquarters, a quiet revolution has been taking since W. Michael Blumenthal, the former Bendix a projected \$310m this year. chief executive officer and Now the results of this effort secretary, took the helm five Over the past two years Buryears ago. A new self-confidence roughs has introduced two new
has emerged at the world's lines of mainframe computers,
second largest mainframe the "A" and mid-sized "V" computer-maker.

Burroughs, buoyed by a revamped product range and an aggressive marketing strategy, is aiming to expand its market share, outgrow the industry and consolidate its position as the leading alternative supplier of large general number of the supplier of the supplier of large general number of the supplier of the supplier of large general number of the supplier of the supplint the supplier of the supplier of the supplier of the supplier o

machines (IBM).

As Burroughs' 66 per cent first quarter earnings decline posted last week shows, it is a tough challenge, but one which Burroughs insiders, despite lingering doubts on Wall Street, insist will be achieved. "I am insist will be achieved. "I am confident that we are in an excellent position to rapidly win new customers and accelerate revenue growth," Mr Blumenthal says in the group's recently released annual report. "We have a full range of competitive and technologically advanced products. We are attuned to our customers and their needs in the lines of busi-

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ness we specialise in."

The contrast with the Burroughs of 1980, the year Mr Blumenthal was brought in as chairman, could hardly be more acute. That year profits nose-dived from a peak of \$305.5m in 1979 to \$32m and profit margins shrank to an anaemic 2.9 per cent as the Detroit glant reeled under a top-heavy, complacent and stuffy manage ment, an ageing and incomplete product line and fierce competitive pressures.

In an attempt to set Burroughs back on the fast growth track, the cigar-smoking Mr Blumenthal brought in a new team of senior managers, many of them former IBM'ers includBurroughs by Convergent Teching Burroughs' president. Paul nologies under a deal negotiated
G. Stern, who had also served four years ago, and the XE
with Rockwell International and series of minicomputers. Gillette. At the same time, he embarked upon a major Burroughs smaller computers corporate restructuring effort, are not designed as stand-alone cutting costs by reducing staff PCs. Instead, "what we are and closing inefficient plants really emphasising is the capa-

last year. In 1985 alone, the manager in Burrounghs' cor-workforce was cut by over 7 per cent and further lay-offs an-team. nounced early this year have reduced the worldwide work-force to around 60,000 from customers who once complained

Under the new management Equally, they have also helped competition. Thus, while quarter net earnings fell to team, Burroughs has stepped half the erosion of Burroughs' Burroughs mainframe machines are not IBM-compatible, the spending to \$225.2m in 1985 and frame base. The company claims

Under the new management Equally, they have also helped competition. Thus, while quarter net earnings fell to \$16m from \$46.6m in the year-ago period on sales which frame base. The company claims

Burroughs mainframe machines are not IBM-compatible, the frame base. The company claims team, Burroughs has stepped up research and development spending to \$285.2m in 1985 and Carter administration treasury are beginning to show through.

series.
The "A" series runs from share, outgrow the industry and consolidate its position as the leading alternative supplier of large general purpose computers to International Business from the bottom (A-3) to the Machines (IBM).

As Burroughs' 66 per cent products provide sustances with the group with the widest range of compatible mainframes in the industry. Burroughs' notes proudly that top of the range (A-15), its

IN THE SHADOW

OF IBM

that about half the B-25s and a third of the A-3s sold last year were purchased by new customers.

At the same time, in order to hold and expand the group's customer base. Burroughs is gearing up applications software development, spending both in-house and by turning to outside developers. Last year, software development spending grew by 10 per cent to \$75m. Among outside suppliers, Burroughs has signed a deal with Management ware packages to run on its machines.

Burroughs' more focused mar-

This extra effort to develop gives the company an edge.

Burroughs network architecture allows users to tie into IBM systems, a recognition of the realities of an IBM dominated world.

keting strategy is geared to exploiting what Mr Page calls "multiple vertical markets" — markets like finance and banking, government, manufacturing, health care, education, and the distribution sector. While accepting that most of its com-While side suppliers, Burroughs has signed a deal with Management Science America a big Atlanta software house, to rewrite software boxes, to rewrite software packages to run on its ing reliable, relatively simple and cheap-to-maintain machines

#### **KEY FIGURES**

			Sm				
· .	1984	1985					
-:-	(Ist qtr)	(1st qtr)	1985	1984	1983	1982	1981
enues	1,140	1,170	5,D40	4,810	4,390	4,190	3,410
profit	. 16	46.6	248.2	244.9	196.9	117.6	148.9

and other non-ibm maintrame cent of its profits from main-customers, for while Burroughs frame computer sales, believes wins high praise from users for this new strategy will help it its operating systems, software customers have complained bitterly in the past about the computer makers.

On Wall Street the jury is software to the past about the computer makers. software.

In an effort to attract new customers which will, it is hoped, then "migrate" up the Burroughs product line the change in software and other help represents a big chance for Burroughs. "Five years ago Burroughs relied almost entirely on itself," says Mr Page. The Burroughs product line, the group has also expanded its more pragmatic, market-orien-tated approach that Mr Blumenthal's Burroughs has line to include the B25 series of microcomputers, made for adopted.

In order to provide "greater four years ago, and the XE series of minicomputers. Unlike some of its competitors, its sales force. Last year the sales force grew by around 15 per cent and a similar while rejuvenating and extending Burroughs product line.

Since 1980, Burroughs has closed 25 plants including eight last year. In 1985 alone, the manager in Burroughs construct the manager in Burroughs construct the manager in Burroughs construct the manager in Burroughs with group's mainframes," says budget has jumped from under the manager in Burroughs has set un special. per cent and a similar increase is slated for this year. The group's sales training Burroughs has set up special

targeted sales units to find custargeted sales units to find cussuccessful to the control of the other non-IBM petitors." Confidence in Detroit
the critics and these days stresses "cothe complained existence" with IBM rather Burroughs has been hit by the
than outright across-the-board industry-wide slowdown. First day's leader page. These new product offerings

applications software is designed to address one of the main complaints voiced by Burroughs' \$5pn in revenues and 45 per and other non-IBM mainframe cent of its profits from main-

still out. But the company gets good marks for effort. "Burroughs appears determined to play across the board," says Mr Ulric Well of Well and Associates, a Washington-based high technology consulting group, adding "they are well

"Investors seem to be gain-ing confidence that the long struggle to improve profitability at Burroughs is over and that margins should rise substanresponsiveness to market margins should rise substan-requirements," Burroughs has tially in the years ahead, pro-combined its product develop-ducing a more rapid rate of combined its product develop- ducing a more rapid rate of ment and marketing organisa- growth than some of Burgrowth than some roughs' competitors would be capable of," said Mr Stephen Dube of Shearson Lehman Brothers, the Wall Street securities firm, in a recent report.

Still faces business," says Mr Page, "particularly with IBM, but security says many play ball with anybody in this business," says Mr Page, "particularly with IBM, but security says many play ball with anybody in this business," says Mr Page, "particularly with IBM, but security says many play ball with anybody in this business," says Mr Page, "particularly with IBM, but security says many play ball with anybody in this business," says Mr Page, "particularly with IBM, but security says many play ball with anybody in this business," says Mr Page, "particularly with IBM, but security says many play ball with anybody in this business," says Mr Page, "particularly with IBM, but security says many play ball with anybody in this business," says Mr Page, "particularly with IBM, but security says many play ball with anybody in this business," says Mr Page, "particularly with IBM, but security says many play ball with anybody in this business," says Mr Page, "particularly with IBM, but security says many play ball with anybody in this business," says Mr Page, "particularly with IBM, but security says many play says many says many play says many says tions while rapidly expanding roughs' competitors would be

several major problems. Profits have returned to around the \$250m-a-year level. But like most of the other non-IBM

Mr Blumenthal blamed the reversal on "short term earnings" pressure in its government business and restructuring costs together with the con-tinued losses of its IBM plug-compatible disk business. Indeed losses at the group's Memorez disk-drive subsidiary have been a key factor holding Burroughs' earnings rebound in

Burroughs insists technical problems at Memorex with 2 new generation of high-capacity memory storage devices or mainframes have now been resolved and that the lossmaking unit, acquired in 1981 for \$117m, will return to profit

later this year. Even then, Burroughs' growth targets, which include a 15 per cent annual increase in sales, look ambitious. Burroughs' need to grow and grow fast was generally seen as one reason why the company tried to merge with Sperry, one of its com-petitors, last year. Although Sperry rebuffed the \$3.74bn merger proposal, Mr Dube of Shearson Lehman unted recently that "investors are left with the question of whether the effort was meant to leverage Burroughs' competitive position of to buttress a possible weak

ness."

Burrough's executives brush aside such concerns, but there is little doubt that the company is still on the acquisition trail. In the meantime, some Wall Street industry watchers believe the group may be forced to scale down some of its more ambitious targets.

Indeed last month. Mr Blum-enthal himself warned that the company expected a substantial drop in first quarter net earnings because of the continued softness of the US market. Nevertheless, he said, 1986 full year profits should still come out shead.

It may take a little longer than Mr Blumenthal would have liked before Burroughs'

business," says Mr Page,
"particularly with IBM, but
also with foreign competitors
and our other American com-

Swiss Bank Corporation, Basle Swiss Bank Corporation (Overseas) S.A., Panama

Notice to holders of the 61/4% US\$ Convertible Bonds 1980-90 of Swiss Bank Corporation (Overseas) S.A., Panama and to holders of the Warrants of the 61/4% US\$ Bonds with Warrants 1983-93 of Swiss Bank Corporation (Overseas) Ltd. Nassau 51/2% US\$ Bonds with Warrants 1985-92 of SBC Finance (Cayman Islands) Ltd., Grand Cayman

We refer to the capital increase of Swiss Bank Corporation and the corresponding notice to the bond- and warrantholders of March 5, 1986.

#### 61/4% US\$ Convertible Bonds 1980-90

According to the Terms and Conditions of the Bonds the conversion price of US\$173.-per bearer participation certificate of Swiss Bank Corporation in the nominal amount of Swiss francs 100 each has been reduced to US\$167 -. Upon conversion the difference of US\$165. - or US\$1650. - respectively between the principal amount of such Bond and the reduced conversion price multiplied by 5 or 50 respectively will be paid to the converting bondholder.

#### Warrants of the 61/4% US\$ Bonds 1983-93

According to the Description of the Warrants the purchase price of Sfr.272. - per bearer participation certificate of Swiss Bank Corporation in the nominal amount of Swiss francs 100 each has been reduced to Sfr. 263.-.

#### Warrants of the 51/2% US\$ Bonds 1985-92

According to the Description of the Warrants the purchase price of Sfr.455. - per bearer participation certificate of Swiss Bank Corporation in the nominal amount of Swiss francs 100 each has been reduced to Sfr. 440,-.

The adjusted conversion and purchase prices are effective as of April 18, 1986.

April 23, 1986

Swiss Bank Corporation, Basle Swiss Bank Corporation (Overseas) S.A., Panama

#### Company Notice

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN

NOTICE IS HEREBY GIVEN that a cash dividend will be paid to shareholders of record date April 30, 1986 Furthermore, it has been declared that the shares will be traded ex-dividend on the japanese Stock Exchanges with effect from April 25, 1986.

Coupon No. 5 will be used for collec-

#### SHIPPING

Publication date: May 21 1986 The Financial Times proposes to publish this Survey on the above date. The provisional editorial synopsis is set out below:

- 1. INTRODUCTION
- 2. FINANCE 3. CONTAINERS
- 4. TANKERS
- 5. BULK CARRIERS
- 6. PASSENGER SHIPS
- 7. SHIPBUILDING 8. SPECIALISED CARGO
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### INTERNATIONAL COMPANIES and FINANCE

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#### Thomas Borthwick & Sons plc

The undersigned assisted in the negotiations and acted as financial advisers to Waitaki in this transaction



#### ORION ROYAL BANK LIMITED

This announcement appears as a matter of record only

BELL RESOURCES LTD.

(Perth, Western Australia)

The introduction to the Amsterdam Stock Exchange of the fully paid

ordinary shares of Bell Resources Ltd.,

Amsterdam-Rotterdam Bank N.V.

**Banco Pastor S.A.** 

La Toja Cosmeticos S.A.

Gillette Española S.A.

**The Gillette Company** 

The undersigned initiated this transaction and represented Banco Pastor in the negotiations.

has been arranged by

A member of The Royal Bank of Canada Group

March 1986

### BHP bid back in the melting pot

THE FUTURE of Broken Hill court injunction preventing the proprietary, the Australian National Companies and Securities Commission from proceeding but yesterday when Mr Robert Holmes a Court's Bell Resources decided not to go ahead with a takeover bid in its present form.

Court injunction preventing the 19 per cent, restricting Adsteam from buying more than a further 1 per cent without crossing the 20 ner cent threshold in the cross shareholdings between BHP and Elders.

The NCSC did, however, go ahead with a takeover bid in its present form. its present form.

North sells

NORTH BROKEN Hill Hold-ings has sold its 31 per cent

ings has sold its 31 per cent stake in Energy Resources of Australia, the manium group, to Pioneer Concrete Services for A\$229m (US\$166m), com-pleting the first and biggest step in its A\$450m asset sale

holdings in Beach Petroleum and Hardboards Australia are also believed to be on North's self list. The programme is aimed at reducing group borrowing and focusing on North's wholly-owned and operated interests as an integrated silver-lead-zinc producer and as Australia's leading producer of fine papers.

ducer of fine papers.

Pioneer is already involved in

per cent stake through RADA Corporation, the New Zealand group.

March, 1986

uranium

stake to

**Pioneer** 

Bell is expected to return shortly with a revised version of its A\$7.70 a share partial offer which was blocked by the courts. step in its A\$450m asset sale programme.

The plan for the sale of North's investment interests emerged early this year, when the company was under assault from Industrial Equity Ltd., which proposed a parcel takeover to be followed by complete liquidation of North.

The group's 12 per cent stake in Alcoa of Australia and its holdings in Beach Petroleum and Hardboards Australia are

ship Group, which had at one stage allied itself with Bell in stalking BHP, now appears free to move to a 20 per cent stake in BHP should it so wish. Elders IXL owns 18.5 per cent and Bell Group. almost 19 per cent.

in close session.

shortly with a revised version of its A\$7.70 a share partial offer which was blocked by the courts.

Meanwhile Adelaide Steamship Group, which had at one stage allied itself with Bell in stalking BHP, now appears free to move to a 20 per cent stake in BHP should it so wish. Elders IXL owns 18.5 per cent and Bell shares to Bell later this year.

The prospect of a greater role for Adsteam arises from a decision between Bell and Adsteam. Until yesternday's move. Adsteam was ruled to have an interest in all of the shares held by the Bell Group. The finding of association rested on an agreement whereby Adsteam was to deliver 85m BHP should it so wish. Elders IXL owns 18.5 per cent and Bell shares to Bell later this year.

The joint entitlement of Bell advice. The prospect of a greater role

ing the 20 per cent without cross-ing the 20 per cent threshold nich triggers a public bid. Adsteam new was nearly im BHP shares, or 4.9 per cent. and could now buy another 15 per cent of BHP from where it could launch its own play for control or determine success of

The decision not to proceed from buying more than a followed the court's granting of further 1 per cent without cross- an injunction to BHP on Monday restraining the despatch of the offer. It represents a replay of events surrounding Bell's initial offer, registered on February 17 and annulled by Bell on March 24 after it had been the subject of almost identical court actions from BHP.

Having drawn BHP's fire with its earlier bid, Bell's latest offer documents contain fewer points of objection and the latest offer is now expected to be refined further. The key area of contention has been Bell's inclusion of a maximum acceptance condi-tion equivalent to 26 per cent of non-Bell shares, despite being formally pitched at 50 per cent of each shareholding.

Tham faces 20

THE SINGAPORE authorities.

pursuing their investigations into last November's collapse of

Pan-Electric Industries and the

country's associated stockbroking crisis, yesterday added another 20 criminal charges to the five already standing against

Mr Peter Tham, the 37-year-old businessman who was arrested

more charges on Pan-Electric

### R120m rights issue at Bankorp

BANKORP (Bank Holding Corporation of South Africa) is to shares. In turn, Bankorp's trial interests. They have been suffering from negative cash flows as a result of high interest. of a rights issue of ordinary, preference and redeemable shares, largely to refinance Mercabank, its troubled, whollyowned merchant and investment

The capital restructuring is the second needed since the start of this year by a major South African banking group. In February, Nedbank, the country's third largest bank, announced a R345m restructur-ing to bolster a severely eroded capital base and to provide the additional capital required to comply with stricter bank capi-

Bankcorp, South Africa's fifth largest banking group, is the banking arm of Sanlam, the country's second largest insurance group, which holds

BY YOKO SHIBATA IN TOKYO

record consolidated net profit

largest commercial bank.
Bankorp's board has assured shareholders that Trust Bank and two other banking subsidiaries, Santambank and

sidiaries, Santambank and Central Merchant Bank (Senbank) "are at present adequately capitalised." However, like Nedbank, the Bankoro group does not report fully, preferring to take advantage of provisions of the Banks Act which permit disclosure of profits after tax and transfers profits after tax and transfers to and from hidden reserves. As a result, investors have tal adequacy requirements marked the price of Trust which are being introduced. Bank's shares sharply lower in

flows as a result of high interest rates which, in turn, led Mercabank to disclose a loss of Rim in the year to end-June 1985. In January this year Ewing McDonald, Bankorp's recently-gequired, wholly-owned shipping and confirming subsidiary, declared a moratorium on research of debty totalling. payment of debts totalling R90m owed to other banks after Bankorp had declined to guarantee the total debt.

At the end of its last financial year (June 1985) Bankorp disclosed total shareholders' funds of R345.5m and total assets of R13.61bn. It showed Mr Rob Wood, Bankorp's of R61m for the year. Mercasenior general manager, says that most of the R120m rights issue will be used to refinance of R532m.

Mr Tham is the third person to face conviction over the affair. Mr Tan Koon Swan, the Malaysian entrepreneur and politician, is due to go on trial on 15 counts next month. At the counts next month. At the counts next month. on 15 counts next month. A third businessman, Mr Tan Kok Liang, was jailed for 15 months in February.

Mr Tham looked tired and drawn when he appeared in the Singapore subordinate court protected as a side of the side of t

yesterday, and his lawyer said he had faced nine straight days

he had faced nine straight days of questioning for some 10 hours a day.

The judge reserved his decision on a prosecution request to detain Mr Tham for three more days of interrogation. Following a defence plea that Mr Tham be allowed to rest, a prison doctor will examine him and a further court appearance is scheduled court appearance is scheduled for tomorrow.

The 20 new charges are similar to the five lodged one week ago, and the penalties range up ago, and the penalties range up to life imprisonment. Fifteen of the new charges accuse Mr Tham of forging share certificates in 1979, one accuses him of criminal breach of trust in 1984 and four allege that he abetted such breaches by Mr Tan Kok Liang in the same year.

Mr Tham was a director of Pan-Electric Industries, chairman of Growth Industrial Hold-

BY JIM JONES IN JOHANNESBURG

banking arm.

Pioneer is already involved in the uranium industry through its controlling stake in the Nabarlek mine project.

Its purchase of the ERA shares requires approval by other shareholders.

ERA is one-third owned by Peko-Wallsend, the mining group, with uranium customers and the investment public holding the remainder.

Meanwhile. Industrial Equity Meanwhile, Industrial Equity is believed to be close to selling its residual holding in North. IEL last month disposed of a 15

Honda Motor hit by dearer yen HONDA MOTOR scored a in net profits from the previous networks. Car sales by value

of Y146.5bn (\$861m), an increase of 14 per cent, in the year ended February 1986. Consolidated net profits per уеать. Consolidated turnover came to Y2,909.650, up 9.7 per cant from Y2,652.25n in the previous year. Of the total turnover, American or European share, each representing 10 shares of Honda common stock for fiscal 1986, amounted to Y1,491, an increase of Y104 over the previous year. overseas sales.

The increase in net profits for the year was attributed to higher sales and continued im-provement in financial items expenses and higher interest

quarter. This was the first amounted to Y1.84bn an in-quarterly profit drop in four crease of 13.7 per cent over last

year. Of the total turnover, Y845bn or 29 per cent came from the Japanese market and the remaining Y2,064bn from

pany sold 3.08m motorcycles, ation.

up 4.2 per cent, although sales
by value fell 2.4 per cent to ending February 1987, Honda

Y413bn. The marketing of new expects amouth automobile sales

The consolidated results re-

flected the parent company's pre-tax profits of Y78.11bn (up. 19 per cent) with net profits of Y45.23bn (up 38 per cent) on sales of Y2.245.7bn (up 16 per cent) cent). On an unconsolidated basis, Honda lost some Y14bn

models, and increased exports both at home and abroad to North America and China, Thanks to the growing populed to higher unit sales.

| America | China | Chi income.

to North America and China, Thanks to the growing populings, which had a 31.6 per cent however, the company was led to higher unit sales.

led to higher unit sales.

larity of up-market cars with stake in Pan-Electric, and shaken badly by the yen's Smooth growth of domestic high added value, Honda's managing director of Associated appreciation in the December car sales was attributed to the inconsolidated full year sales.

Asian Securities, a local brok-

### 1985-February 1986 quarter, launch of new models and to are expected to increase by 9 ing firm. None of the three con-resulting in a 20 per cent fall improvements in domestic sales, per cent at Y2,450bn.

#### Paragon wins Kalgoorlie Gold control

By Our Mining Editor

PARAGON RESOURCES, formed out of the reconstruction of Eeltrust Holdings, has finally won control of Central Kalgoorlie Gold Mines. Directors of the latter still consider the Paragon bid of 40 cents per there for her low low but hare share to be too low, but have accepted in order to avoid control of the company being split between Paragon and its rival, Temples.

Temples.

Central Kalgoorlie's interests include promising gold prospects in the Kalgoorlie area of Western Australia. The company is involved in two joint venture gold prospects with US majors, Homestake and Newmont.

Australia's Dominion Mining and Oil is to make a A\$9m (£4.4m or US\$6.5m) renounceable rights issue to finance its ongoing gold ventures in Australia and the Pacific Rim. The new shares will be offered at 50 cents on a one-for-three basis. The directors and major shareholders are to take up 40 per cent of the issue and the remainder is being under-written by brokers Ord Minnett.

\* \* \*

Malaysia's tin-producing
Trough Mines reports a fall in
1985 net profit to 2.92m ringgit
(2780,000 or US\$1m), or 23
cents per share, from 5.46m
ringgit. A final dividend of 20 cents makes a total for the past year of 45 cents, against 64 cents. The latest results have been adversely affected by the need to reduce the end-year value of the stock of tin in concentrates to allow for the heavy fall in the metal price.

#### IRELAND U.S.\$100,000,000 Floating Rate Notes due October, 1988

In accordance with the pro-visions of the Notes, notice is hereby given that the Rate of Interest for the next Interest Period has been fixed at 7 per cent per annum. The Coupon Amounts will be US177.92 for the US\$5,000 denomination and USS8,895.83 for the US\$250,000 denomination and will be payable on 24 October, 1986, against surrender of Coupon No. 10.

Manufacturers Hanover Limited Agent Bank

### Morgan beats Korean retreat

MORGAN GUARANTY TRUST ment and corporate clients in decision to withdraw was yesterday announced a decision. Korea, which it expects to be "absolutely not" related to to close its Seoul branch office in the form of capital market current or future prospects for and to withdraw some local instruments.

In Robert Brose, vice president and general manager in trum the local Korean market in Seoul, said the move reflected and inevitably raises questions. Seoul and says it will continue its involvement in arranging external financing for govern.

Morgan enjoyed a profitable commercial banking operation in Seoul Morgan's staff will be absorbed by Westpac, the Australian banking group, which bankers have been trustrated by their inability to open a representative office in several financing for govern.

Mr. Brose said that Morgan's decision to withdraw was "absolutely not" related to current or future prospects for local banking. He said that Morgan enjoyed a profitable commercial banking operation in Seoul Morgan staff will be absorbed by Westpac, the Australian banking group, which bankers have been trustrated by their inability to increase their access to local Morgan said it would take about six months to wind down its outstanding loans.

external financing for govern. Mr Brose said that Morgan's its outstanding loans.

This advertisement complies with the requirements of the Council of The Stock Exchange



OKG AKTIEBOLAG (Incorporated in Sweden with limited liability)

Danish Kroner 250,000,000 8¾ per cent. Notes 1992 Issue Price 100 per cent.

Svenska Handelsbanken Group Copenhagen Handelsbank A/S

Enskilda Securities Standingvisks Easkilds Limited

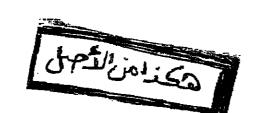
Application has been made for the Notes. in bearer form in the denomination of DKK 20,000 each, constituting the above issue to be admitted to the Official List by the Council of The Stock Exchange, subject only to the issue of the temporary global note. Interest will be payable annually in arrear in May each year, the

Listing particulars relating to the Notes and to OKG Aktiebolag are available in the statistical services of Extel Statistical Services Limited and copies may be obtained during usual business hours on any weekday (Saturdays and public holidays excepted), up to and including 25th April, 1986 from the Company Announcements Office of The Stock Exchange. London EC2 and, up to and including 7th May, 1986 from:—

Svenska International Limited. 17 Devoushire Squar London ECZW 4SQ

Cazenove & Co., 12 Tokenhouse Yard, London EC2R 7AN 23rd April, 1986

Kredietbank N.V., 40 Basinghall Street. London EC2R 7JD



Chase

(Sucursal en España)

April 1986

has sold

its wholly owned subsidiary

a wholly owned subsidiary of

**Chase Manhattan Limited** 

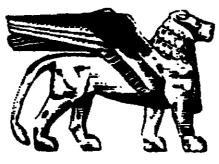
Chase Manhattan Bank N.A.

investment

All of these securities having been sold, this announcement appears as a matter of record only.

### 4,000,000 Shares







### H. F. Ahmanson & Company

Common Stock

#### 3,000,000 Shares

Merrill Lynch Capital Markets

Sanford C. Bernstein & Co., Inc.

Alex. Brown & Sons The First Boston Corporation Bear, Stearns & Co. Inc. Donaldson, Lufkin & Jenrette Dillon, Read & Co. Inc. **Drexel Burnham Lambert** Hambrecht & Quist Goldman, Sachs & Co. E. F. Hutton & Company Inc. Lazard Frères & Co. Kidder, Peabody & Co. Montgomery Securities Morgan Stanley & Co. PaineWebber Prudential-Bache Robertson, Colman & Stephens L. F. Rothschild, Unterberg, Towbin, Inc. Salomon Brothers Inc Dean Witter Reynolds Inc. Smith Barney, Harris Upham & Co. Wertheim & Co., Inc. Morgan, Olmstead, Kennedy & Gardner A. G. Edwards & Sons, Inc. Allen & Company Sutro & Co. Thomson McKinnon Securities Inc. Advest, Inc. Oppenheimer & Co., Inc. Bateman Eichler, Hill Richards Blunt Ellis & Loewi Robert W. Baird & Co. Cowen & Co. J. C. Bradford & Co. Butcher & Singer Inc. Boettcher & Company, Inc. Janney Montgomery Scott Inc. Eppler, Guerin & Turner, Inc. Dain Bosworth Legg Mason Wood Walker Ladenburg, Thalmann & Co. Inc Cyrus J. Lawrence McDonald & Company Moseley, Hallgarten, Estabrook & Weeden Inc. Neuberger & Berman Prescott, Ball & Turben, Inc. Rauscher Pierce Refsnes, Inc. Piper, Jaffray & Hopwood Rotan Mosle Inc. Stephens Inc. The Robinson-Humphrey Company, Inc. Stifel, Nicolaus & Company Tucker, Anthony & R. L. Day, Inc. Wheat, First Securities, Inc. Brean Murray, Foster Securities Inc. Cable, Howse & Ragen Crowell, Weedon & Co. Furman Selz Mager Dietz & Birney Foster & Marshall Inc. First Albany Corporation Gruntal & Co., Incorporated Jefferies & Company, Inc. Interstate Securities Corporation Johnson, Lane, Space, Smith & Co., Inc. The Ohio Company Parker/Hunter Raymond, James & Associates, Inc. Seidler Amdec Securities Inc. Anderson & Strudwick Underwood, Neuhaus & Co. Wedbush, Noble, Cooke, Inc. Cantor, Fitzgerald & Co., Inc. George K. Baum & Company Birr, Wilson & Co., Inc. D. A. Davidson & Co. Carolina Securities Corporation B.C. Christopher Securities Co. Doft & Co., Inc. Lovett Mitchell Webb & Garrison, Inc. Schneider, Bernet & Hickman, Inc. Swergold, Chefitz & Sinsabaugh, Inc. Van Kasper & Company Williams Securities Group, Inc.

#### 1,000,000 Shares

The above shares were underwritten by the following group of International Underwriters.

Merrill Lynch Capital Markets

Bank Leu International Ltd

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Aktiengesellschaft

Banque Bruxelles Lambert S.A. Banque Indosuez Banque Paribas Capital Markets Limited DG BANK Crédit Lyonnais Crédit Agricole **EBC Amro Bank Limited** Genossenschaftliche Zentralbank AG

J. Henry Schroder Wagg & Co. Limited Nomura International Limited

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Union Bank of Switzerland (Securities) Limited S. G. Warburg & Co. Ltd.

Banca Commerciale Italiana Banca del Gottardo Bank Julius Baer & Co. Ltd., Zuerich

Barclays Merchant Bank Limited Baring Brothers & Co., Limited Bank Mees & Hope NV

Bayerische Vereinsbank Berliner Handels- und Frankfurter Bank

Aktiengesellschaft Crédit Commercial de France Compagnie de Banque et d'Investissements CBI

Deutsche Girozentrale Crédit du Nord Deutsche Bank Capital Markets

-Deutsche Kommunalbank-

Robert Fleming and Co Limited Generale Bank Hessische Landesbank

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Kredietbank N.V. Kuwait Foreign Trading Contracting & Investment Co. (S.A.K.)

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Sal. Oppenheim jr. & Cie. Société Générale

Sumitomo Trust International Limited Svenska Handelsbanken Group

Trinkaus & Burkhardt KGaA, Duesseldorf Vereins- und Westbank

\*The principal subsidiary of H.F. Abmanson & Company is Home Savings of America, F.A., which also conducts business in certain states under the name Savings of America,

The set that the second second second second

### Hong Kong's pre-eminence under threat

it is about to spawn its own symptomatic of a trend which an innovator in swaps late in capital markets association some see as ominous for 1984.

The new association is likely to include over 40 of the most active participants in a market that has soared from HK\$260m and three certificates of deposit (CD) issues in 1984 to HK\$7.2bn (US\$925m) and 42 issues last year. In the first three months of this year, a further 23 issues raised

There are nevertheless clear signals that similar meteoric growth in future is unlikely, because of a combination of structural, institutional and political restraints on the institutional and domestic market - unless, that is. Peking decides that Hong Kong is to become its own principal capital-raising centre. Hong Kong has been the ome of sophisticated capital market operations for over a decade. Indeed, its claim to be the world's fourth largest bank-ing centre is partly based on the massive community of international bankers who use the free-wheeling territory as the booking centre for sovereign and corporate lending throughout the Asian region.

As syndicated lending to sovereign borrowers has been supplanted by securitised forms of lending to governments and of lending to governments and territory's property market col-major corporations in the lapse in 1982. With debts that region, so Hong Kong has re-at one stage looked as if they tained its pre-eminence. Whether it retains this pre-

eminence in future is a moot point, given the recent liber- time when local interest rates alisation of Japan's financial were soaring towards 20 per

some see as ominous for 1984. Hong Kong.

Just as questions over international capital market opera-tions have begun to be asked. so the domestic or Hong Kong dollar-denominated capital market has sprung from nowhere. Out of the 42 CD's issued in 1985, 39 came from banks. Most of these were intended to fund local operations which in the ast required US dollars to be

Among the local corporate forces, market growth is almost entirely due to two companies—the Mass Transit Railway Corporation (MTRC) and Hongkong Land.
The MTRC boasts the dubious

honour of being Hong Kong's most heavily indebted company. Construction of Hong Kong's HK\$24bn underground railway system has left it with borrowings amounting to about HK\$16.5bn. The simple scale of its borrowings needs has forced it to be an innovator in the local capital market— both in seeking cheaper and more flexible sources of funds, and in mounting swaps to meet its substantial Hong Kong dollar liabilities.

Hongkong Land came close to failure in the wake of the were soaring towards HK\$22bn, it was being strangled by heavy

With the debts of these two companies now in decline, so they are likely to provide less momentum to the local market. Utilities like the Kowloon Canton Railway and Hongkong Electric have tapped the market, but their emergence has

Jardine Matheson is to increase its proposed issue of preference shares to a maximum US\$150m from US\$125m, as a result of strong demand. The issue, which is being sold through Euromarket channels, has Euromarket channels, has still to be given the price at which the preference shares will be convertible into ordinary shares in Hongkong Land. This is expected to be around 7 to 8 per cent above the Land share price on the

simply served to highlight the paucity of major corporations in Hong Kong that have the sort of credit rating that would are from having too few." Cer- a medium to large international tainly by comparison with major market if it decides to use the manufacturing economies like territory as its multi-currency Japan, the US or any number capital market.

major restraints on the likely growth of the market. The absence of any clearing house, the imposition of strict prospectus requirements, and minimum denominations of HK\$500,000 for deposits at market rates of interest are factors that have seriously impeded growth. The commitment of the Hong Kong Government to balanced

budgets also means that it cannot take a lead in nurturing a local bond market. This position is unlikely to change until China regains sovereignty of the territory in 1997, since Peking has long been suspicious that Britain might depart in 1997 leaving the cupboards bare, and the new government encumbered with debt. Proposals by the World Bank

to tap the local capital market have also been shunned, despite

the fact that these would add greatly to the scale of the local market. This is largely due to fears that internationalisation of the Hong Kong dollar would add a potentially dangerous new allow them to use the market.

"Hong Kong remains a bluechip market." said Mr Patrick
Thomas, who heads the capital
Thomas, who heads the market.

"Many bankers are thus continued that any future meteoric growth is likely to come from mainland China. According to "There are more negative Nationale de Paris: "China effects from bringing second-tier could transform Hong Kong names to the market than there from a small local market into

of European countries, few "China has the muscle in Hong Kong companies have Hong Kong. It understands the "China has the muscle in

AFTER 15 months of speciacu- markets. The recent transfer cent. Its urgent drive to either the need or the reputation rules here, and even knows how lar growth, Hong Kong's to Japan of the Asian head-exchange floating-rate exposure to tap the capital markets to bend them. The legal system domestic capital market is quarters office of Citibank's for fixed-rate loans—again in significantly.

seems acceptable both to China about to come of age — at least, investment banking division is Hong Kong dollars—made it There are a number of other and the international banks who ignificantly. seems acceptable both to China There are a number of other and the international backs who would work with it," he added. So far China has been a cautious borrower in the inter-

national capital markets, but a fidence, and mounting need could change this. In 1985, it raised US\$2.1bn in syndicated loans, compared with a total for the previous five years of just

There are signs that a number of Chinese financial institu-tions like the China International Trust and Investment Corporation (CITIC) may become active participants not just in Hong Kong, but in Tokyo and Europe.
Similarly, bankers suggest

that major regional corporations like Suntory in Japan (which recently floated a trial balloon in the Euromarket), or Pt Astra in Indonesia might find greater success raising capital in Hong Kong, where their names are well known, than in Europe or the US.

No regional corporation has yet tried to tap the local market,

and it is unclear how Hong Kong's banking authorities would view such a move, but there is no doubt that the potential exists. Whether Hong Kong fulfils this potential probably depends less on a fledgling capital markets association than it does on the views of govern-ment and banking officials in Hong Kong and Peking—but to say as much, as the association is about to be created, is pro-bably unkind.

David Dodwell

### Bankers welcome second day of issuing restraint

yesterday and hoped that the spirit of restraint in new issuing activity, indicated by a second quiet day in the Eurobond market, would prevail. The steep decline in the value of the dollar on the foreign exchanges at the beginning of this week has also helped to limit demand for dollar Eurobonds.

Dealers say trading prices of recent issues now, more than ever, reflect degrees of support by lead-managers, although investors are still showing a strong preference for state-backed names.

Banque Francaise du Com-merce Exterieur's 7½ per cent seven-year bond, launched on seven-year bond, launched on Monday, was quoted by the lead-manager at a discount within the fees. The recent floating-rate note issue for BBL International was trading near its issue price, and bankers feel there is still strong potential demand for issues by high-quality borrowers in the floating-rate sector.

There are, however, ways of

issuing BBB-rated corporate debt into this market and Banque Paribas Capital Markets Banque Paribas. Capital Markets ventured to launch a puttable, but non-callable, deal for Chrysler. The \$100m five-year bond was priced to give a yield to first put in two years' time of 122 basis points over two-

A \$60m equity warrants bond was issued for Sekisui Chemical. The bond matures in 1991 and carries an indicated Chemical. The bond matures year Ecu 200m nominal zero- for Christiania Bank of Newway. in 1991 and carries an indicated coupon bond for Mortgage Bank. The coupon is 7½ per cent. The coupon of 3½ per cent. Yamaichi of Denmark. The issue price issue amount is Lux Fr 300m.

OVERSEAS INVESTORS have created an unprecedented demand for New Zealand

Two equity warrant bonds for The coupon on the \$15m deal for Kyowa Densetsu Kaisha was set at 31 per cent, and that on the \$50m deal for Fuso Pharmaceutical at the same level. Both were reduced from an indicated 31 per cent.

A \$100m five-year equity warrants deal was launched for Sumnomo Realty and Development. Lead-managers Daiwa Europe said the indicated coupon was 3 per cent and the expected warrant premium the

coupon was 3 per cent and the expected warrant premium the standard 2½ per cent. Pricing will be on April 29.

Traders say sterling Eurobonds are drifting in the aftermath of the fully-discounted base rate cuts. Baring Brothers base rate cirts. Baring Brothers launched a £50m, seven-year non-callable bond for Australia and New Zealand Banking Group (ANZ). The bond pays coupons of 9½ per cent and the issue price is 99½. Taking in full fees, the yield margin at issue was 80 basis points over comparable gits. The issue rocal for First City Trust. The indicated coupon is 6 per cent traded comfortably within the fees.

Schlesby 2. States was subsected in 1998 and the coupon fixed at 5½ per cent. The issue price is part-payable at 10 per cent issue surfaced in the Swiss franc sector. Soditic launched a SFr 75-100m 10-year deal for First City Trust. The indicated coupon is 6 per cent. There is a call option from 1991, initially at 102½ per cent.

A C\$150m issue was launched for Canadian National Railways late in the afternoon. Lead-manager was Orion Royal Bank. The 15-year bond pays coupons

year Treasury bonds. There of 8% per cent and the issue of 8% per cent and the issue price was 100%. The Ecu sector, although third year at 99%, and in the fourth year at 99%. Issue price was 100%. The Ecu sector, although suffering from oversupply, displays a firm underlying tone, with investors still looking for Mass issued for Sekisui Societe Generale issued a 10-year Ecu 200m nominal zeroin 190% and carries an indicated coupon bond for Mortgage Bank

NZ Government stock oversubscribed

demand for New Zealand Zealand's extremely high to 224 per cent.
government stock with bids interest rates are beginning to Government stock maturing
totalling NZ\$507bn (US\$290bn) ease. It was the first of three— in 1991 sold in the secondary

BANKERS crossed their fingers International (Europe) led the spirit of restraint in new issupplied on April 28.

International (Europe) led the spirit of fees of 6.45 per cent. The spirit of restraint in new issupplied by a place on April 28. lack of a call feature. This feature has limited the demand for other zero-coupon bonds recently.

In the D-Mark sector, prices In the D-Mark sector, prices were slightly lower in low turn-over. Uncertainty over prospects for a cut in the discount rate in West Germany clouds the market.

Deutsche Bank brought a DM 300m 10-year 51 per cent issue for Dow Chemical. The issue is callable from 1993. The lead-manager reported the bond

lead-manager reported the bond trading comfortably within

fees.

Dresdner Bank and Morgan
Stanley issued DM 300m Series
B German State Securities
secured by schuldsheine from
Schleswig-Holstein. The maturity date is in 1998 and the

Handelsbank launched a SFr 100m deal for Reynolds Metal, the second largest aluminium producer in the US. of 84 per cent and the issue price was 1004.

The Ecu sector, although suffering from oversupply, displays a firm underlying ton.

A Luxembourg franc private placement was arranged by Banque Paribas (Luxembourg)

#### **International placing by Dutch industrial group**

BY ALEXANDER NICOLL

HUNTER DOUGLAS, a Dutch- venetian blinds, as well as other based industrial group, is making an international placing of 2.64m shares, 21 per cent of its equity, currently held by Alcan Aluminium. The shares are worth Fl 161m (\$65m) The offering is being higher earnings for 1986. handled by Swiss Bank Corporation International through the geographically-segmented syndication method which it has Pierson is co-lead manager with Cazenove as the UK broker.

building products. It trades and processes aluminium and makes precision machinery. In 1985, it had net profits of \$28.2m on sales of \$518.6m, and the company is forecasting Over 40 per cent of the com-pany's sales are in the US, but Mr Ralph Sonnenberg, its president, said yesterday that Hunter employed for several previous Douglas had no plans to seek issues. Pierson Heldring & a US listing because it did not Pierson is co-lead manager with want to fulfil all the disclosure requirements that this would Cazenove as the UK broker. requirements that this would Hunter Douglas makes entail. The company is listed in window coverings, such as Amsterdam.

#### Australian central bank to tighten regulations

THE RESERVE BANK of Aus- management systems to control

seas businesses are rapidly growing and whose exposure to the risks arising from new financing techniques is increasing. The Reserve Bank announced

yesterday plans to involve banks' external auditors in the supervisory process, arguing that its present system of pru-dential supervision has become inadequate. "At present the Reserve Bank

tralia is tightening its control risks are being followed, or that over domestic banks whose overoperations set out by the Reserve Bank are being observed," it said.

The big Australian trading banks (commercial banks) are increasingly turning to off-balto defend their market positions banks which have been allowed to open in Australia since last cannot say from its own en- year. Their foreign assets have quiries that the data provided by also doubled in the last two banks are reliable, that the years,

#### Olympia & York offers **\$548m deal** By Our Euromarkets Staff

SALOMON Brothers yester-day launched a \$548m two-part Eurobond issue secured on a Manhattan building for Olympia & York Developments, the Canadian real estate group. The issuing vehicle is Olympia & York Water Street Finance Corporation.

The deal is the largest of its kind to be secured solely on one huilding. Salomon was

is one of the largest office blocks in the US. Tenants include Chemical Bank and A diminishing stream of payments from a surety bond of Aetna Casualty gives addi-

tional backing. Taking the building and the bond together, Standard & Poor's have given the non-recourse deal an AA rating. The financing comprises a \$435m 81 per cent 10-year bond, and a zero-coupon bond

of the same maturity, raising \$50m with a face amount of \$113.25m. The issue with coupon is priced at 100; with fees of 2 per cent. It is call-able at the borrower's option after the seventh year at 101.5, and then at premiums declining by 1 per cent per

The zero-coupon bond gives an implied yield at a 45.5 issue price of 8.193 per cent. (Fees on this tranche total 1.35 per cent.) There is a call feature after year eight at an effective price of 88

per cent.
Stomon Brothers said that
the bond met with good
demand and quoted a bid
price of 981 on the coupon
bond, and 451 on the zerocoupon bond.

#### Japanese net sellers of foreign bonds By Yoko Shibata in Tokyo

JAPANESE INVESTORS sold \$1.5bn worth more sold \$1.5bn worth more foreign bonds in the first half of April than they bought and, with long-term interest rates in the US falling rapidly, they are likely to have been net sellers during April 2s a whole, according to the Japan Bond Research Institute. If the forecast is correct, this would be the first month for exactly five years that Japanese investors have not been net buvers of have not been net buyers of foreign bonds.

In addition to the overall shift in sentiment away from US dollar bonds, investors have been diversifying into US equities, foreign currency deposits and into bonds denominated in European As from this month. Japanese life insurance com-

panies have been permitted by the Ministry of Finance to double the volume of securities. Thus far, they appear to have concentrated their attention on overseas equity markets to absorb the greatest part of this added volume of available funds.

#### made for a NZ\$500m stock tender last Friday, Dai Hayward reports from Wellington. each of NZ\$500m—to be offered market last Friday at 17.8 per by the Government cent compared with 19.31 per Two banks, the ANZ and the cent on the previous Monday FT INTERNATIONAL BOND SERVICE

The tender brought the first National, have reduced interest eal indication that New rates by balf a percentage point lealand's extremely high to 22; per cent.

Interest rates are beginning to Government stock maturing

Listed are the 200 latest international bonds for which there is an adequate secondary market.

on one building. Salomon was involved in two such deals last year. One of those was also for Olympia & York. So far, no issuer has ventured into the US domestic market with such an issue, which as a new type of deal would receive the time-consuming scrutiny of the Securities and Exchange Commission.

The debt is secured on the building and tenant leases of 55 Water Street, New York City. The 3.5m sq ft building 1054, 1074, -0°4, +0°4, 7.78
1094, 110 -0°4, +0°4, 7.89
1124, 1134, -0°4, +0°4, 7.89
1124, 1134, -0°4, +0°4, 7.89
1124, 1134, -0°4, +0°4, 7.89
1104, 1108, -0°4, +0°4, 7.81
1105, 1108, -0°4, +0°4, 7.81
1125, 1125, +0°4, +0°4, 7.87
1135, 1134, -0°4, +0°4, 7.87
1135, 1134, -0°4, +0°4, 7.81
1109, 1109, -0°4, +0°4, 7.81
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1137, 1137, -0°4, +0°4, 8.80
105, 1069, -0°4, +0°4, 7.81
1138, 1137, -0°4, +0°4, 7.81
1139, 1137, +0°4, +0°4, 7.81
1131, 1137, -0°4, +0°4, 7.81
1131, 1131, -0°4, +0°4, 7.81
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154

No information available—previous day's price.

† Only one merket maker supplied a price.

traight Bonds: The yield is the yield to redemption of
the mid-price; the amount issued is in millions of
currency units except for Yen bonds where it is in
billions. Change on week Change over price a week
earlier.

earlier. Change on week - Change over price a week Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte Date next coupon becomes effective. Spread - Margin mean rate) for US dollars. Cop - The current coupon mean rate) for US dollars. Cop - The current coupon. Wise indicated. Chg. day - Change on day. Chv. date - Frat date for conversion into shares. Cnv. price Currency of share at conversion rate fixed. At issue, price of acquiring shares via the bond over the most recent price of the shares.

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appears as a matter of record only.

These securities have been sold outside the United States of America and Japan. This announcement

**NEW ISSUE** 

#### SEIBU SAISON GROUP

The Restaurant Seibu Ltd. (Kabushiki Kaisha Restaurant Seibu)

U.S.\$50,000,000

3¾ per cent. Guaranteed Notes Due 1991

unconditionally and irrevocably guaranteed as to payment of principal and interest by

The Dai-Ichi Kangyo Bank, Limited

Warrants

to subscribe for shares of common stock of The Restaurant Seibu Ltd.

Issue Price 100 per cent.

Nippon Kangyo Kakumaru (Europe) Limited

Dai-Ichi Kangyo International Limited

Banque Nationale de Paris

Commerzbank Aktiengesellschaft

Kleinwort, Benson Limited

Mitsubishi Finance International Limited

The Nikko Securities Co., (Europe) Ltd.

Saitama Bank (Europe) S.A.

Union Bank of Switzerland (Securities) Limited

**Banque Paribas Capital Markets Limited** Robert Fleming & Co. Limited

Merrill Lynch Capital Markets

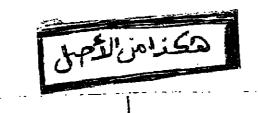
S. G. Warburg & Co. Ltd.

Mitsui Trust Bank (Europe) S.A.

**Nomura International Limited** J. Henry Schroder Wagg & Co. Limited

Westdeutsche Landesbank Girozentrale

Yamaichi International (Europe) Limited



Scribed

### WORLD STOCK MARKETS

### Electronic bridge boosts global equities trading

BY ALEXANDER NICOLL

DAVID HUNTER chairman of the US National Association of Securities Dealers, could be forgiven a touch of hyperbole yesterday when be described the new link between the NASD and the London Stock Exchange as "the beginning of the global network for 24-hour equity trading... the start of a true world equity market."

The international equity market is already taking shape at a bewildering pace. Investors are increasingly looking outside their home stock markets. Securities houses and stock exchanges are being international stock exchanges are being swept along in the rush to go

" electronic bridge " between the NASD's automated quotation system, NASDAQ, and the Stock Exchange's own auto-

in equities which has been under way for several years.

THE TWO-YEAR pilot programme launched yesterday involves the exchange of realtime prices through a satellite link between the Stock Exchange's computers in London and NASDAQ's compuler centre at Trumbull, Connecticut in the US.

On the London exchange's 4,000 TOPIC screens, subscribers will see bid and offered prices made by individual NASDAQ market-makers on 200 big-capitalisation stocks—the components of the NASDAQ to Individual NASDAQ to Indianation stocks—the components of the NASDAQ-100 Index and the NASDAQ-100 Index and the NASDAQ-Financial Index—and on 70 non-US and non-UK stocks quoted on NASDAQ in the form of American Depositary

terminals, subscribers will see prices for the 100 UK shares that make up the Financial Times-Stock Exchange Index, and for 188 non-UK stocks quoted on the Stock Exchange's SEAQ International service. These will be two-way prices for the international stocks, but only mid-prices for the UK shares US dealers will be able to see live London quotes from 7.30 am until 12.30 pm New York time. London dealers will see NASDAQ quotes from 2.30 pm London time, with opening prices appearing at 3.30, until the London system closes.

On 2,600 NASDAQ terminals, subscribers will see

the Stock Exchange's own automated quotation system, SEAQ International, is an important step towards setting a more formal and efficient structure for what is still a highly fragmented market in its nascent stages.

Demand for foreign stocks has been spurred in the US, Japan and Europe by the extraordinary worldwide bull market in equities which provides automatic execution of orders for US stocks.

Some prices. These are collated equity market despite the into multi-contributor pages on radical structural reforms it is the Monitor screen showing a undergoing.

The link with NASDAQ is the latest step in its effort to retain a centralised market by providing technological systems for which provides automatic execution. A structural reforms it is the monitor screen showing a undergoing.

The link with NASDAQ is the latest step in its effort to retain a centralised market by providing technological systems for which provides automatic execution and settlement that will meet the new into multi-contributor pages on radical structural reforms it is the Monitor screen showing a undergoing.

The link with NASDAQ is the latest step in its effort to retain a centralised market by providing technological systems for which provides automatic execution. tion of orders for US stocks. Some Instinct screens are already installed in London and internationally-orientated needs of its members. Establishment of SEAQ International was the first step, and develoment of SEAQ into a full system providing firm two-way quotes for

of continue for several years. Many for several years. Many forecasters predict that has been and falling interest rates, it will continue for some time.

Equally important has been the development of technology allowing instant knowledge about activity outside domestic markets. Information networks such as Reuters and Telerate have contributed importanties, such as Reuters and Telerate have contributed importantions in control the specified piecemeal fashion. Us securities houses such as Meritantical equity market has developed in the domestic markets to report the concern about investor protection.

For the global market, the dissemination, inadequate trade reporting, inefficient settlement methods, and a lack of surveillance which could give rise to concern about investor protection.

For the London Stock Star, the international equity market has developed in the domestic markets in the fact of the "upstairs" market in equity setting fact and the clock, passing the threat was even more direct. The rapid growth provided a textbook example of how it can be done. When it would not be concern about investor protection to the domestic market, could make the exchange in the domestic market, could make the exchange in the domestic market, could make the exchange in the could make the exchange in the could make the exchange in the domestic market, could make the exchange in the could make the exchange in the

NOTICE OF REDEMPTION To the Holders of

#### **RPM Finance, N.V.**

81/4% Convertible Subordinated Debentures due June 28, 1993 Guaranteed as to Payment of Principal, Premium, if any, and Interest by RPM, Inc.

NOTICE IS HEREBY GIVEN that pursuant to the provisions of the Fiscal, Conversion and Paying Agency Agreement dated as of June 28, 1983 among RPM Finance. NV (the "Company"), RPM, Inc. (the "Guerantor") and The Chase Manhattan Bank, N.A. (the "Fiscal Agent"), all of the Company's 81-% Convertible Subordinated Debentures due June 28, 1993 (the "Debentures") will be redeemed on May 28, 1986 (the "Redemption Date") at a redemption price of 104% of the principal amount thereof together with accrued Interest to the Redemption Date "the "Dedemption Price".

Date (the "Redemption Price").

On the Redemption Date, the Redemption Price will become due and payable on each such Debenture and, upon presentation and surrender of the Debenture, and in the case of Bearer Debentures with all coupons appertaining thereto maturing after the Redemption Date, the Redemption Price will be paid. On and after the Redemption Date, interest on the Debentures will case to accuse

will cease to accrue.

Coupons maturing prior to the Redemption Date should be detached and presented for payment in the usual mariner. Accrued interest to the Redemption Date will be paid in the amount of \$34.375 per \$1,000 principal amount of Debentures.

Debentures should be presented and surrendered for redemption as follows:

The Chase Manhattan Bank, N.A. Woolgate House, Coleman Street London EC2P 2HD, England

Chase Manhattan Bank, Luxembourg, S.A. Coin Blvd. Royal & Grand Rue CP240

Chase Manhattan Bank (Switzerland) P.O. Box 476 1204 Geneva, Switzerland

Registered Debentures

The Chase Manhattan Bank, N.A. Corporate Bond Redemptions Box 2020 1 New York Pazz—14th Floor New York, New York 10061

CONVERSION OF DEBENTURES INTO COMMON SHARES

The Debentures may be converted into Common Shares of the Guarantor at the adjusted conversion rate of 77.160494 Common Shares for each \$1,000 principal amount of Debentures. or exercise the conversion privilege, the holder must surrender his Debenture (with the June 28, 1996 and subsequent coupons attached, in the case of Bearer Debentures) along with a written conversion notice (the form of which appears on the reverse of each Debenture) as totiows:

Bearer Debentures

The Chase Manhatten Bank, N.A. Woolgate House, Coleman Street London EC2P 2HD, England

Chase Manhattan Bank, Luxembourg S.A. Coin Bivd. Royal & Grand Rue CF240 Luxembourg, Luxembourg

> Chase Manhattan Bank (Switzerland) 63 Rue du Rhone P.O. Box 478 Registered Debentures

The Chase Manhattan Bank, N.A. Box 2063 1 New York Plaza—14th Floor New York, New York 10061 Attention: Bond Conversions

SUCH CONVERSION RIGHTS WILL TERMINATE AT THE CLOSE OF BUSINESS ON MAY

BASED UPON CURRENT PRICES, THE MARKET VALUE OF THE SHARES OF COMMON STOCK INTO WHICH THE DEBENTURES ARE CONVERTIBLE IS GREATER THAN THE REDEMPTION PRICE (AND ACCRUED INTEREST) OF THE DEBENTURES SO LONG AS THE MARKET PRICE OF THE COMMON STOCK EXCEEDS \$13.93. A DEBENTUREHOLDER WOULD RECEIVE, UPON CONVERSION OF DEBENTURES, COMMON STOCK AND CASH IN LIEU OF A FRACTIONAL SHARE HAVING A GREATER MARKET VALUE THAN THE CASH WHICH SUCH HOLDER WOULD RECEIVE IF HE SURRENDERED HIS DEBENTURES FOR REDEMPTION.

RPM Finance N.V. By: The Chase Manhattan Bank, N.A. as Fiscal Agent

Dated: April 8, 1986

#### US \$60,000,000

THE MORTGAGE BANK AND FINANCIAL ADMINISTRATION AGENCY OF THE KINGDOM OF DENMARK

(Kongeriget Danmarks Hypotekbank og Finansforvaltning)

**GUARANTEED FLOATING RATE NOTES** DUE 1990, SERIES 82



Unconditionally guaranteed by THE KINGDOM OF DENMARK

In accordance with the provisions of the Notes, notice is hereby given that the rate of interest for the six months 24th April, 1986 to 24th October, 1986 has been fixed at 7 per cent per annum and that the coupon amount payable on coupon no. 7 due on 24th October, 1986 will be U.S. \$3,558.33



The Sumitomo Bank, Limited

Reference Agent

#### BASE LENDING RATES

BASE LENDING RATES

ABN Bank 10/5 Grindlays Bank 10/5 Guinness Mahon 10/5 Guinness Mahon 10/5 Guinness Mahon 10/5 Guinness Mahon 10/5 Hambros Bank 10/5 Hambros Bank 10/5 Heritable & Gen. Trust 10/5 Heritable & Gen. Sec. 10/5 Heritable & Gen.

Robert Fleming & Co. 111 5 Demai Robert Fraser & Ptrs. 11 5 12.25

#### Residential Property

#### Rentals

**NEW-near MARBLE ARCH** FCR BUSINESSMEN

FULLY SERVICED LUXURY FLATS

STUDIO £150 - £390 P.W. 1 B/R £250 - £350 P.W. 2 B/R £350 - £450 P.W. 3 B/R £450 - £750 P.W. Short and long Company lets

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Personal

9.30-5.30: TRUEL THE B.30 (except 1st May until 5) BROWSE & DARSY, 01-774 7984. THOMAS NEWBOLT DEIDLINGS. COURTAULD GALLERIES.— The Hidden Face of Manet. Until 13 June, Mon-5st. 10 to 5 Sun. 2 to 5. Adm. £1.50, con. 50p.

ZAMANA GALLERY. 1. Cromwell Gardens (opp. V & A.), 5W7. 01-584 6612 INDIA OF ONE THOUSAND AND ONE HIGHTS—A4 exhibition by the Front Photographers ROLAND & SARRINA MICHAUD. Until 18 May. Mon-5st. 10-5.30 (closed fri.); Sun. 1-5.30.

9

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GSTAAD VALLEY

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GLOBE PLAN SA, Ave Mon-Report 24, CH-1005 Lausenne, Switzerland Tel: (21) 22 35 12 & (21) 20 89 07 - Telex: 25 185 melis ch

#### LAKE GENEVA

New lakeside de luxe residential villas and apartments and land parcels for construction, available for foreigners. Breathtaking views — short distance from Ge

For details contact: Box No. 97-0548 TRISERVICE S A. P.O. Box - CH 1219 CHATELAINE who will trensmit

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Small team of R.E. experts willing to advise you and your investments of £100,000 and above. Personal service to your exact requirements.

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inmobilen treuhand ag Basierstr. 91 , CH-6300 Zug/Switzerland Phone 010 41/42 23 23 73.

**SWITZERLAND** EXCEPTIONAL For sale, direct from the builder, YERBJER in the magnificent ski resort of the Wallis Alps **DUPLEX APARTMENT** living, 2 bedrooms, kitch balcony, parking place. Beautiful view on the Alps Sunny and quiet Price SFr 260,000 Mortgages up to 60% available Write: Mr Pierre PEJU. P.O. Box 129 CH-1018 LAUSANNE 18/Switze

#### Holidays and Travel



Supposses from E22 80 per liaght do Marchaest Onest. E28 90 per liaght on 1984 pr £25 90 per liaght on 1984
 Une volge and agen Java anniatolic on request. Car rental from 525 00 per mean, hand; enother imms 522 00.

NO ONE OFFERS A BETTER DEAL THAN NO. 1!!

A unterview as vacations indistrict to the plant worker house IMBLEDON DESENTURE seats 1986 for sale, Tel: 01-630 7121 \* \* \* \* TEL-01-637 7853/8485/4107 \* \* \* \* \* \* Art Galleries DISCOUNTED FARES AGNEW GALLERY. 43. Old Bond St., WT. 01-629 6176. PAINTINGS FOR UNICEF. Emma Sarceant, Dominiaue Lactoche & John Nasper. Until 16th May. Mco.-Fri. 9.30-5.30: Thurs. vill 6.30 (event 1st May until 5)





#### Motor Cars

#### SVVB

A MORE INDIVIDUAL CAR FOR THE MORE DISCERNING Individual Lease . . . HP . . . Contract Hire . . . or even cash NEW SAAB 900 NOW AVAILABLE BALLARDS OF FINCHLEY FOR SAAB IN NORTH LONDON RING CHRIS PERRETT ON 01-346 6696



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#### Legal Notices

IN THE MATTER OF SHIRE WHOLEFOODS LIMITED (tormerly Cheshire Wholetoods (Wholesale) Limited AND IN THE MATTER OF THE COMPANIES ACT 1948

THE COMPANIES ACT 1948

NOTICE IS HEREBY GIVEN that the creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 16th day of May, 1996, to send in their full Christian and surnames, their addresses and destriptions, full perficulars of their debts or claims, and the names and addresses of their Solicitors (if any), to the undersigned David Swaden, FCA, of 48 Rodney Street, Liverpool 11 9AA, the Liquidstor of the sand Company, and, if so required by nonice in writing from the said Liquidator, are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

THE COMFANIES ACTS 1985 EUROPEAN BUYING SERVICES LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 588 of the Companies Act 1985 that a Meeting of the Creditors of the above-named Company will be send to the Creditors. of the above-named Company will be held at Fairlay House, Fulwood Place. London WCIV 5DW. on Friday, the 2nd day of May 1988, at 11 o'clock in the forenoon, for the purpose mentioned in sections 589 and 590 of the said Act.

Dated this 14th day of April 1986.

By Order of the Board,
P. F. MARKS,
Director.

> ACEGALLEY LIMITED T/A ANDREW PHILLIPS

NOTICE IS HEREBY GIVEN pursuant to Section 588 of the Companies Act 1985 that a Meeting of the Creditors of Acegalley Limited, will be held at the office of Leonard Curtis & Partners, 46. Rodney Street, Liverpool L1 9AA, on Thursday the 1st day of May 1986 at 12 o'clock middly, for the purposes provided for in Section 589 and 590. Dated the 15th day of April 1986. G. MERCER.

THE TIMPERLEY ROOFING CO.

NOTICE IS HEREBY GIVEN pursuant to Section 588 of the Companies Act 1985 that a Meeting of the Creditors of The Timperley Booling Co. Limited, will be held at the offices of Leonard Curtus & Partners, 3rd Floot, Peter House, Oxford Street, Manchester M1 5AB, on Thursday the 1st day of May 1986 at 12 00 o'clock midday, for the purposes provided for in Section 589 and 590.

#### Company Notices

GENERAL MINING UNION CORPORATION LIMITED (Incorporated in the Republic of South Africa) Registration No. 01/01232/06

ANNUAL GENERAL MEETING The annual general meeting of the mem-bers of General Mining Union Corporation Limited will be hold in the boardroom, 6th Floor. General Mining Building, 6. Holland Street, Johannesburg, on Thurs-day, 15 May 1986, az 09h00. Holders of share warrants to bearer may obtain copies of the annual report from 30 Ely Place, London ECIN SUA. per pro GENCOR (U.K.) LIMITED London Secretaries

30 Ely Piace. London EC1N 6UA. 23 April 1986.

CORRECTION NOTICE CORRECTION NOTICE
NOTES TO THE HOLDERS OF
BONDS OF THE ISSUE 92, 1977-1995
OF USSSO,000,000 MADE BY
THE EUROPEAN COAL AND STEEL
COMMUNITY

The Commission of the European Communities advises the bondholders of the above minetioned issue that the installment on June 15, 1986 amounting to USS1/750,000 has been met by a draw by lot on April 15, 1986 in the presence of a Notary Public, N

#### Company Notices

UNILEVER N.V.

Rotterdam The Netherlands **ANNUAL GENERAL MEETING OF SHAREHOLDERS** nesdey, 14th May, 1986 at 10.30 a.m. in the "Kleine Zaal" of the "Co Congresgebouw de Doelen", entrance Krussplein 30, Rotterdam

Consideration of the survey report to of Directors.
Approval and adoption of the Annual Accounts and appropriation of the profit for the 1985 financial year.
Appointment of the members of the Board of Directors.
Appointment of Auditors.

Appointment of Auditors.

of shares in the Company. Authorisetion, in accordance with Article 98 of Book 2 of the Netherlands Civil Code. of the Board of Directors to purchase shares in the Company and trust certificates

of the Boden of Enfection to present the process therefore.

This agenda, the Report and Accounts for 1985 together with the Report of the Auditors and the further documentation pertaining to the Agenda are available for inspection by shareholders not holders of certificates insued by NY Nederlandsoch Administrate, an Trustkantoor at the company a office, Burg is Jacobples it. Rolledain and at the office of the Bank membroned below, more coopen may be obtained free of charge.

A) Holders of bearer shares or sub-shares wishing to attend the meeting either in person or by promy appointed in wishing must deboast their share certificates and sub-share certificates by Wednesdey, 7th May, 1986 at the Company's office or at the office of the Midland Bank pt. Mariner House Pepys Street, London ECSN 4(A) or any of its branches. Upon production of the recognition issued to them such holders will be admitted to the

Holders of registered shares for which certificates have been assured in another form and holders of booked shares wishing to attend the meeting either in person or by prony appointed in werting must holdly the Company of liter inheration by feller staining the numbers of the share certificates or of the bookings for the shares which must reach Unslever NV. Aldeling Effection on Coupons, Burgemeester s Jacobplem 1, Rotlettiam, The Netherlands by Wednesday, 7th May, 1988.

resignation certificate notices will be admitted to the meeting. 
Holders of certificates for shares in University NV issued by NV Nederlandsch 
Administrative en Trushartoor in the name of Middland Bank Trust Company Limited for 
an its former name Middland Bank. Electifor and Trustee Company Limited is sub-share 
certificates, westings to aftered the meeting without taking pair in the voting finish departs 
such sub-share certificates with Middland Bank pic by Westensiday 7th May, 1988. Upon 
production of the receipt then issued to them such sub-share certificate holders will be 
admitted to the meeting.

admitted to the meeting if the certificates memoried in (C) and (D) above wish to everces voting rights at the meeting either in person or by promy appointed in writing. NV. Nederlandsch Administratio, an Trustianition will exchange such certificates free of charge for original shares which a with hold in the names of such holders at its own office its such folice being the designated place of deposit in the event) and exchange the same again after the meeting free of charge for Nederlands of certificates to be issued to such holders in accordance with the conditions of administration of these certificates. For such purposes holders must by Tuesday 5th May, 1985. summing by reason with many, 1990.

summing their certificates for F120 or a multiple thereof (but in the case of relicates for 7% cumulative preference shares representing a lotal normal amount of 1000 or a multiple thereof) to NV Nedorlandsch Administratio en Trustkantoor.

Voorburgeral 326-328. Amsterdam, and-or

surrender their sub-share certificates for FL12 nominal amount or multiples thereof, presenting a total nominal amount of at least FL60 per class (but in the case of its share configures for 7% cumulative preference shares representing a total nominal mount of FL1,000 or a multiple thereof) to Mediano Bank pic.

The certificates so surrendered must be accompanied by a form obtainable free of charge in NV Nederlandsch Admististrate en Trustianicor Amisterdam and Middard Bank old. Son Upon production of the recents then assued by NV Nederlandsch Admistraties en transcor and Middard Bank pic respectively the holders will be admitted to the meeting The receipt assert by Midland Bank pic for sub-share certificates so surrer corporates a two-way proxy form.

UNILEVER N.V.

INCO INCO LIMITED (Incorporated under the laws of Canada) US\$100,000,000

Floating Rate Notes due 1995 Notice is hereby given that the Rate of Interest has been fixed at 6.875% and that the interest will be payable on the relevant interest Payment Date, October 23rd 1986 against Coupon Number 3. In respect of US\$100,000 nominal amount of the Notes, the payment will be U.S.53.494.79 and in respect Inimon 000,000,12.2.U amount of the Notes, the payment will be U.S.\$34,947.92.

OF COMMERCE Agent Bank April 23, 1986

CANADIAN IMPERIAL BANK

CERTIFICATES FOR ORDINARY SUB-SHARES OF FL 12 ISSUED BY N V NEDERLANDSCH ADMINISTRATIE-EN TRUSTKANTOOR NOTICE IS HEREBY GIVEN that EXCHANGES OF Sub-Share Certificates in the name of Midland Bank Executor and Insiste Company Limited. now MIDLAMD BANK TRUST COMPANY LIMITED. for Bearer Certificates and Uniferent N V New York Shares and vice verse will be SUSPENDED from 9 May 1986 to 22 May 1986 inclusive Certificates will only be accepted for Certificates. Certificates will only be accepted for exchange after 22 May 1986 provided that all dividends declared prior to that date have been dismed. N V NEDERLANDSCH ADMINISTRATIE EN TRUSTKANTOOR

Clubs

The second secon 

40.00

### Guinness planning to buy in shares Renewed

THE GEARING in the new of two 14 per cent-plus stakes of the borrowing provision has combined Guinness-Distillers in Distillers acquired by the been used for the cash element chief executive, becoming company is set to rise above 100 per cent following the plan, revealed yesterday, for Guinness itself to buy in the 14.9 per cent stake in Distillers which has been built up by its merchant bank Morgan Greufell and other concert parties.

This unusual move will, if pproved by shareholders, lean cancelling 90m shares in the new company, equivalent to about 9 per cent of the total

It has been prompted by the calculation that higher short calculation that higher short term debt is preferable to a larger number of shares and also that the Guinness share price would have been badly hit by the sale in the market the Distillers take-over.

Because of the low take-up and the Bank of Scotland.

A rearrangement of the Distillers board was also announced yesterday with Mr

rival bidders,

the Guinness brokers Cazenove and Wood Mackenzie. The price profit of £18m on the holding. would Total net costs of the bid are cent. thus about £32m.

Guinness had made pro-vision to borrow £625m cash and issue 605m new shares for the Distillers take-over.

of the offer and the rest will Yesterday Argyll, the unsuccessful bidder, sold its 14.4
per cent stake (including concert parties) with the help of

Through the extra use cash the gearing level of Guinness-Distillers will rise of 300p a share (equivalent to Guinness-Distillers will rise 672p a Distillers share) realised from about 75 per cent to close £71m for Argyll itself, giving to 120 per cent according to it a slightly lower-than-expected some analysts. Guinness said it would soon be down to 70 per

One immediate method of raising money to reduce the gearing would be for Guinness to sell off Distillers' two sub-

chief executive, becoming chairman and Mr John Connell the former Distillers chairman, becoming president.
Guinness repeated yesterday
that its wholly unconditional

offer for Distillers remained opened for acceptance until further notice. Acceptances have already been received from well over 80 per cent of Distillers shareholders The Convertible Preference Share Election will remain open until 3 pm on Friday May 2 along with the ordinary share election and the cash alterna-

By 4 pm on April 21 accep-tances for the cash alternative had been received from holders of only 2.2m new Guinness

### Perry offsets declining return on new cars

HELPED BY a cut in interest charges, the Perry Group of Ford and GM main dealers has shown a marginal improvement in pre-tax profit for 1985. It has moved up from £3.5m to £3.56m.

New vehicles sold increased 8 per cent to 19.421 but their in the second half of the significant improvements. 8 per cent to 19,421 but their fits in the second half of the contribution to profit declined, current year.

contribution to profit declined, reflecting the competitive trading conditions in the industry.

However, further progress was made in those areas where individual service and control profit margins. In used cars profit margins. In used cars profit margins. In used cars profit was up 42 per cent, in service departments 25 per cent, and in parts, benefiting from the major investment current vear.

Overall sales in 1985 rose by 15 per cent to £153.2m but operating profit fell 4 per cent to £153.2m but operating profit fell 4 per cent to £153.2m but operating profit fell 4 per cent to £1.5m. Tax takes £1.56m the market shop around for the best deal and car manufacturers expect dealers to share the cost of sales promotion campaigns. As a result the profit contribution from sales slipped a fifth to £1.1m while the number of cars sold rose by 1.400 to 19,400, The

comment

from the major investment In the current year first quarrose by 1,400 to 19,400. The programme at Borehamwood, up for per cent.

The group operates from factors—a "once only" parts ing on new car sales as a con-

as its margins are twice as good. Parts sales out of the Borehamwood superdepot contributed strongly to a slightly lower overall operating total although a £20,000 once-off bonus has more than helped here. In 1986 the estate agencies should be contributing for the first time and graph. for the first time and group-profits reach £4m. Ron Brierley has held just over 10 per cent of Perry Group for some time, a stake which is now worth two-and-a-half times what IEL paid for it. But as Ford International's rules appear to pre clude any more dealerships passing under the TKM banner the prospect of a full bid looks shares still look cheap on a sub-

#### Ernest Green joins USM via share placing

Ernest Green and Partners has become the first structural

The company, which was founded by Mr Ernest Green, is forecasting profits of £1.1m restructured to enable senior for the year ending June 30, management to be shareholders. earnings per share on the average capital of 9.29p and a final dividend of 0.7p.

Of the 2.12m shares being June 1985. sold through the placement. In the five years up to and some 1.19m are coming from including that to June 1985, Mr Ernest Green and his family. these arrangements plus asso-

engineer to join the USM some 1.19m are coming from including that to June 1985, shares from the Green family through a £2.54m placing of Mr Ernest Green and his family. these arrangements plus asso- out as to obtaining a listing shares with institutions, which values the company at £8.9m. holding will be reduced to 32 total of £2.6m, three-quarters of wish to wait to see how the postper cent.

For 1981 the business was restructured to enable senior management to be shareholders. However, Mr Green continued to have a consultancy arrangement with the company until market. However, this place wish to want to see how the post-free drawing after the stock. Anyway a 12 per cent growth in pre-exceptional profits does not seem a hard target to reach in the present fairly strong property market in which fees are charged on an ad valorum basis.

### calls for Westland share probe

By Lionel Barber

PRESSURE FOR an official government inquiry into the true ownership of a substan-tial block of shares in West-land helcopter company in-creased yesterday after it was revealed that three of the mystery shareholders are based in Uruguay, Majorca, and Los Angeles, US. Two others have already been located in Australia and Panama.
Last week, the Stock Exchange published a report on
share dealing in Westland which raised the possibility of a secret concert party during the bitter proxy battle fought earlier this year for a minor-ity stake in the company. The stake in the company. The Stock Exchange suggested that the Department of Trade should investigate further, us-ing powers delegated to the

Mr John Smith, chief Lab-our trade spokesman, has written to Mr Paul Channon asking the Secretary of State if he considers it satisfactory that "such a miscellany of international interest should be capable of deciding the future of an important British defence company. Some senior Westland execu-tives are understood to favour an inquiry to settle the con-troversy over the mystery shareholding.

Last February, on the eve of a crucial shareholders' vote on Westland's future, the Stock Exchange revealed that six mystery shareholders, six mystery shareholders, three of them acting through Swiss bank nominees, controlled around 21 per cent of the company. The shareholders almost certainly swung the vote in favour of Sikorsky, the US helcopter maker, Westland, using law firms in California, Uruguay and Australia, has been able to identify five of the mystery shareholders who claim to be the true beneficiaries.

the true beneficiaries.

Mr Marc A Odermatt of

Palma in Majorea holds 4.76
per cent; Mr Guillermo
Schiess of Urugnay holds 1.53
per cent; Mr Mauricio de
Castro of Los Angeles holds
4.89 per cent; Lynx Marketing of Panama holds 4.83 per cent. However, the only clearly identifiable company is Actraint No 34 Property. a subsidiary of Thomas Nationwide Transport, Australia's largest transportation group.

Profit before taxation

### **Emess Lighting launches** £31m bid for Rotaflex

Emess Lighting, the London- £30.68m turnover. It now claims seem to have reorganisations based lighting products group, yesterday launched a £31m bid for its UK rival, which has extensive ... European interests: Rotaflex rejected the bid as unacceptable. Rotafiex shares soared to

Rotaflex shares soared to 303p, up 93p on the day. Emess is offering 90 new shares for every 100 in Rotaflex which values its target at 285p per share. There is a cash alternative of 292p per share.

Emess has expanded rapidly over the last 12 months, buying the largest UK lampshade and lighting pottery suppliers, Marchael Meyer, Emess chairman, said last night that the strong profits group's enlarged share capital. Mr Meyer said that the offer was generous, representing a 247 per cent premium over net stronger than Emess. to 53.3m, equivalent to 13 per cent of lighting sales. Mr Michael Frye, Rotaflex objecting pottery suppliers, Marchael Meyer, Emess chairman, said the group's recent strong profits growth the commercial lighting com-

chant Holdings, for £6.25m, and the commercial lighting company. Markin Electric for £12.6m. For the year 1985, it recorded a 51 per cent rise in pre-tax profits to £3.38m on saying it was inconsistent. They

to be the UK's largest supplier of domestic lighting.

Rotaflez, which specialises in accent lighting in shops and galleries for example, has also boosted profits significantly over the past three years. In 1985 it made £3.18m pre-tax on £50m sales, a 15 per cent rise on the group's enlarged share capital. Mr Meyer said that the offer

### Norton surprise at bid referral

Mr Paul Channon, the Secretary of State for Trade and Industry, has unexpectedly stepped in to block the £110m bid by fast-growing printing group Norton Opax for McCorquodale, the printing and packaging group more than twice its size.

He has referred the bid to He has referred the bid to that seen in the bids for that seen in the bids for that seen in the bids for the wood, McCorquodale was itself on the wrong end of a Monopolies and Mergers Commission referral last year when its bid for fellow printer Richard Clay was blocked. Clay subsequently merged with the St Ives group.

The company may attempt to group.

the Monopolies and Mergers to that seen in the bids for Mr John Wood, McCor Commission for investigation Distillers and the Imperial dale chief executive, said: on the grounds of market share in the personalised cheques industry. The two companies combined would have a 45 per cent share—with 15 per cent from Norton Opax and 30 per cent from McCorquodale. Mr Roger Dimbleby, the

05

Distillers and the Imperial dale chief executive, said: "We Group by which provisional are not surprised at the referral agreement is reached to sell as the combined market share off companies thus reducing the approaches 50 per cent. However, the opportunities for doing this may be limited by the fact that most obvious referral as "a major plank of our defence as the offer had neither commercial nor financendidates to buy either cheque

#### President Ents. raising £4.8m

USM-quoted theatre restaurants theatre restaurants, five theme group which last week reported restaurants and two gourmet a 61 per cent increase in profits restaurants in Britain and the for 1985, yesterday announced a US.

This year, a Flanagan's said it would be moving to the restaurant and an L. S. Grunts

main market next month.

The rights issue is priced at London's Leicester Square and 103p and will raise \$4.8m to fund President's expansion.

Underwriters to the issue are Phillips & Drew.

President has grown rapids.

PROFITS LEAP 54%

Printips & Drew.

President has grown rapidly Florida;
in the last year through the acquisition of the Flanagan's, —Mr Robert Earl, the chairman, Bates and L. S. Grunts and Mr Lauren Soll, who

eté ponessa visa di elle anunce etc

BUNZL plc ANNUAL RESULTS

President Entertainments, the restaurants. It now has seven between them hold 20.3 per 15M-quoted theatre restaurants theatre restaurants, five theme cent of the equity—will sell restaurants and two gournet enough of their rights to pay 61 per cent increase in profits ments. The shares sold will be placed by Phillips & Drew.

Berisford

S. & W. Berisford, the commodity trading group, which has told Hillsdown Heldings, the UK food manufacturer, that its £486m bid is unacceptable, is

All these securities having been sold, this announcement appears as a matter of record only.

New Issue

· · · April, 1986



#### **BEST DENKI CO., LTD.**

(Kabushiki Kaisha Best Denki) (incorporated under the laws of Japan)

U.S. \$45,000,000

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Daiwa Europe Limited Crédit Commercial de France **Deutsche Bank Capital Markets Limited** Kleinwort, Benson Limited Sanwa International Limited J. Henry Schroder Wagg & Co. Limited Swiss Bank Corporation International Limited Tokyo Securities Co. (Europe) Limited Westdeutsche Landesbank

Chemical Bank International Group Dai-Ichi Europe Limited Robert Fleming & Co. Limited Nippon Credit International (HK) Ltd. Sanyo International Limited Sparekassen SDS Tokai International Limited S. G. Warburg & Co. Ltd.

Profit before taxation Earnings per share Dividends per share £42.7m – up 54% 29.2p - up 33% 10p – up 33% Today Bunzi is a diversified group operating Distribution Division - distributors of paper through five Divisions worldwide. The latest and plastic disposable products and fine quality phase of the Group's policy of diversification began in 1981 with the creation of its Distribution Division. Now this Division is the Group's largest and is firmly established on three continents. Subsequent growth in all Divisions has been strong. In 1985 Bunzl acquired United Parcels—one of Britain's leading parcel delivery companies—which forms the core of the Group's papers, Merchanting Division - international traders in pulp, paper and board. **Transportation Division** – engaged in express parcel delivery and transport engineering. companies – which forms the core of the Group's new Transportation Division. Bunzl is resolutely committed to cigarette filters, instruments, packaging and continued growth. plastic products. If you would like to know more about Bunzl and obtain your copy of the Corporate Brochure and 1985 Report and Accounts, please contact: Donald Latimer, Company Secretary, Bunzi pic, Friendly House, 21-24 Chiswell Street LONDON, ECTY 4UD (01-606 9966)

Filtrona Division – specialist manufacturers of

Industrial Division – manufacturers and converters of specialised paper, plastic products and flexible packaging.

#### **UK COMPANY NEWS**

### Ellis & Goldstein profits increase to over £4m

shops within stores.
All divisions contributed to the improved results, the directors state. Dash continued to develop and now operates 130 units including seven stand alone shops. Its product range is expanding and a start has been a significant increase to been a significant increase to been a significant increase to the divisions contributed to the divisions continued to the divisions continued to the divisions continued to the divisions continued to the divisions of the new range due this year, 1986 looks likely to be one for a slightly slower growth rate. Such costs could become a regular item as E&C looks increasingly to stand-alone wentures for expansion as the shares rose 1½p to 83p. The Dash coultes continue to provide the shares rose 1½p to 83p. The Dash coultes continue to provide the shares rose 1½p to 83p. The Dash coultes continue to provide the shares rose 1½p to 83p. The Dash coultes continue to provide the shares rose 1½p to 83p. The Dash coultes continue to provide the shares rose 1½p to 83p. The Dash coultes continue to provide the shares rose 1½p to 83p. The Dash coultes continue to provide the shares rose 1½p to 83p. The Dash coultes continue to provide the shares rose 1½p to 83p. The Dash coultes continue to provide the shares rose 1½p to 83p. The Dash coultes continue to provide the store in-a-store unit may have reached maximum potential. The only way out of the financing bind this implies is to rely on franchising—4 decision apparently already made. To look for much more than £4.7m would be to expect too much.

with Profits increasing from £3.55m to £4.06m in the year ended February 1 1986 (February 1 1986) is lifting its dividend from an effective 2.13p to 2.45p net. The final is 1.6p.

The group is a wholesaler of ladies clothing under the Eastex, Dereta, and Elgora brand names, and operates shops within stores.

All divisions contributed to

Moss Bros 19% profit increase

GREATER operating effectiveness throughout virtually all areas of business has enabled Moss Bros, like the Moss Bros group to continue retailers, had to endure units profit improvement,

cent higher at £19.58m.

The group, which retails and hires out clothing and ancillary goods, is paying a final dividend of 4.3p for a net total of 5.745p, compared with 5p.

With regard to the current year, the directors are expecting further progress. Sales early on were a little below budget, but shop improvements and development programmes

the profit for the year was more excitement lies in the struck after allocating £65,000 possibility that Moss Bros may, (£48,000) to employees' profit after all, win permission to sharing scheme. Tax takes redevelop its Covent Garden £454,000 (£392,000) to leave the site: if it does, the shares at net profit at £758,000 630p could look conservatively (£624,000), or 25.01p (20.63p) rated on a prospective p/e of

Moss Bros, like other clothing seasonal weather and severe In the year ended January 25, 1986, the pre-tax balance is shead by 19 per cent, from and sovere war f1.02m to £1.2m, on sales 8 per cent higher at £19.58m pushed margins up enough to produce profits in line with expectations. The current year has seen a sluggish first quarter with the weather again unfavourable, and in spite of the buoyancy of consumer spending the company expects increasingly astute consumers to put pressure on margins. The profits improvement is there-fore going to have to come budget, but shop improvements profits improvement is thereand development programmes fore going to have to come
are continuing. In February largely through expansion and
the third Occasions shop was opened, in Windsor, and William Morling menswear shop in Canterbury has been in Canterbury has been pre-tax figure much beyond in Canterbury has been graceful acquisition. For the moment, more excitement lies in the struck after allocating \$65.000 possibility that Moss Brog may

#### **DIVIDENDS ANNOUNCED**

			corre-	Total	Total	
			onding	for	last	
þa	yment	payment	div.	year	year	
Boase Massimi	3	_	2.251	4.5	3.51	
Centreway Inds	Nii	_	Nil	Nil	0.1	
Clement Clarke	2.89	June 13	2.89	4.52	4.33	
Cossitint	1,25	Sept 4	0.75	_	2.75	
Ellis & Goldstein	1.6	June 17	1.45	2.45	2.13*	
Hartons Group	0.83 .	July 1	0.77	1.27	1.16	
Moss Bros	4.03	_	3.46	5.75	5	
Perry Group	2.85	July 7	2.75	4.5	4.25	
SAC Intnitint	0.65	May 30	_	_	<b>-</b> .	
St Ives Groupint	3	May 30		_		
Scusa	1.35		1.1	2.2	1.8	
Scottish Citiesint	7	May 30	6	**	23	
		_		-		

Dividends shown in pence per share except where otherwise stated. \*Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ Adjusted for sub-division. ¶ US cents throughout. \*\*Total of not less than 24p forecast.

ATA Selection plc The UK's leading Sales and Technical Recruitment Service

**Preliminary results** for the year ended 29th December 1985

	1985	1984	%
	6,000	5,000	increase
Turnover	2,472	2,351	5%
iroup profit before taxation	<b>596</b>	454	31%
rofit attributable to shareholders	347	239	45%

**NatWest** 

Mortgage Rate

With effect from 23rd April, 1986 for new borrowers, and from 1st June for existing borrowers, the NatWest Mortgage Rate payable under current Mortgage Deeds and Conditions of Offer will be decreased from 12.00% p.a. to 11.00% p.a. \*Rate for existing borrowers until 30th April: 13.00% p.a. and from 1st May to 31st May: 12.00% p.a.

☼ National Westminster Home Loans Limited

41 Lothbury, London EC2P 2BP.

3.71p

ATA Selection plc, Portland House, 29 Basbow Lane,

Bishop's Stortford, Herts CM23 2NA.

Proposed final dividend (net)

Earnings per share

Tel: 0279 506464

Copies of Report and Accounts available on or after 1 May 1986 from the Secretary.

2.55p

### Cosalt doubles midterm profit

Turnover rose by £4.14m to £23m and the pre-tax profit by £274,000 to £523,000, after interest charges of £462,000

interest charges of \$462,000

Mr E. A. Brian, chairman, reports that ships' chandlery and associated activities have sustained their earnings despite some difficult trading conditions. Further acquisitions are under consideration to assist growth in this division.

After tax £131,000 (credit £8,000) and minority £2,000 (nil) the net attributable profit

• Comment however, as should the return to profitability of finance, aviations marks the end of two years of cuts and shares have gained ground as the reorganisation has taken effect. The prospect of a bid profits of Further acquisitions are under consideration to assist growth in this division.

After tax £131,000 (credit £8,000) and minority £2,000 (nil) the net attributable profit

Cosalt is continuing its progress. In the half year ended March 2 1986 it has doubled its profit and is lifting the interim dividend from 0.75p to 1.25p net.

Turnover rose by £4.14m to £23m and the pre-tax profit by turn within the caravan division

— catalysed by last year's
design and marketing programme — should compensate,
however, as should the return

### Splash Products joining USM

The company buys plain T-shirts and prints them with original designs aimed mainly Tshirts and prints them with original designs aimed mainly at the children's, teenage and tourist markets. Other products includt printed sweatshirts and underwear.

Soleh tree formulal to the company and tourist markets are being sold at 72p a share, raising share.

posters and greetings cards: and strengthen its capital base.

Fabric printing became the It wants to continue developmainstay of the business in ment of new products and intends to expand its markets,

Deposit Rates

are

7 days notice

21 days' notice

last October.

Splash was founded by its Splash says it plans to use chairman, Mr Gavin Beaumont, the proceeds to help finance its in 1967 and began by making working capital requirements

State Bank of India

State Bank of India announces

that its base rate

is reduced from

11% to 10½% per annum

with effect from

April 22nd, 1986

6.77%

7.49%

Interest paid half yearly

Main Office in the U.K.

Gross Interest Net Interest

Since then the range of pro- particularly overseas T-shirt printed based in Faring-dou, Oxfordshire, is joining the Unlisted Securities Market at a value of £3.6m through a placing by brokers Henry Ansbacher.

Spiash Freducts, a noverty since then the range of property of property of the printed based in Faring-double from the property over company says the current year has started well with turn-over how products and says its first five months and says its five months and says its first five months and says its five months and says its first five months and says its firs

siderable act of faith.

#### SAC Internl. 46% ahead at halfway

LADBROKE INDEX

Splash is in a fickle market where entry costs are low and competition is intense. Prices have not risen for two years, so turnover has shown little progress, and last year's pre-tax profits would have been virtually stagnant had it not been for executional items. There is no forecast for the current is no forecast for the current financial year, but prospects have been clouded by the bad weather and gloom over tourism while at the same time Splash has incurred loans of £390,000 has incurred loans of 2580,000 buying cheap T-shirts. The income from the placing could ensure a profits increase this year but beyond that an invest-

Reporting a 46 per cent growth in first-half profits, the directors of SAC International say they are encouraged by the outcome and look forward to the next six months with con-

fidence.
Turnover of this design engineering group rose from £7.5m to £3.8m, with overseas sales showing particularly strong growth, from which a gross profit of £1.72m (£1.44m) was achieved.

Pre-tax profits for the period was £703,000, compared with £481,000.
Earnings come to 3.92p (2.63p) and an interim dividend of 0.65p is declared.

1,392-1,398 (+1) Based on FT Index Tel: 01-427 4411

### State Bank House, 1 Milk Street, London EC2

NOTICE OF REDEMPTION

To the Holders of

4.75% 5.25%

#### Comalco Limited

10% Notes Due 1987

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture, dated as of April 1, 1975, under which the above described Notes were issued. Comalco Limited has elected to redeem on May 14, 1986 all of its outstanding Notes, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date.

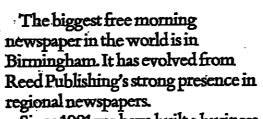
On May 14, 1986, the Notes will be come due and payable as aforesaid in such coin or currency of the United States of America as at the time of payment shall be legal tender for public and private debts. Said Notes will be paid, upon presentation and surrender thereof with all coupons appertaining thereto maturing after the redemption date, at the option of the holder either (a) at the Corporate Trast Office of Morgan Guaranty Trust Company of New York, 30 West Broadway, New York, New York (10015, or (b) subject to applicable laws and regulations, at the main offices of Morgan Guaranty Trust Company of New York in Brussels, Frankfurt (Main), London, Paris or Tokyo, or Bank Mees & Hope NV in Amsterdam or Credito Romagnolo S.p.A. in Milan and Rome, or Banque Générale du Luxembourg S.A. in Luxembourg, Payments at the office of any paying agent outside of the United States will be made by check drawn on, or transfer to a United States dollar account with, a hank in the Borough of Manhattan, City and State of New York.

Any payment made by transfer to an account maintained by the payee with a hank in the United States may be subject to reporting to the United States Internal Revenue Service (IRS) and to back up withholding at a rate of 20% if payees not recognized as exempt recipients fail to provide the paying agent with an executed IRS form W-9, certifying under penalties of perjury the payee's taxpayer identification number (employer identification number or social security number, as appropriate). Those holders who are required to provide their correct taxpayer identification number or internal Revenue Service Form W-9 and who fail to do so may also be subject to a pe

Dated: April 14, 1986

COMALCO LIMITED

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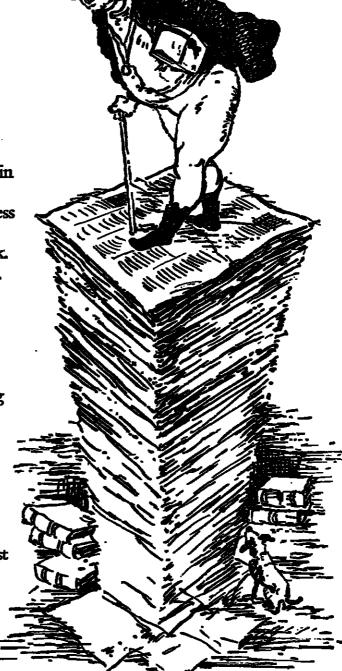
Since 1981 we have built a business which produces 5.5 million copies of regional newspapers every week.

Today 5 million of them are free. Once again Reed Publishing is moving with changing media patterns and the fresh needs that

Regional newspapers make up Britain's second-largest advertising medium with £984m total revenues. Reed Publishing have a 5% share.

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Reed Publishing's progress has been marked by imaginative



product development. An excellent example of this is the Birmingham Daily News. This free morning daily was launched as recently as October 1984 and has a guaranteed distribution of 350,000 copies with total penetration of its targeted area. It is delivered punctually between 7.00 and 8.00 a.m. and advertisers report high levels of same day response. Its success is firmly based on a combination of the news and advertising that readers and advertisers like and want.

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First Pacific International Limited

percent to US\$3.666 million compared with US\$3.519 million in 1984.

April 1986, a majority interest in the commodity operations was sold.

Final dividend declared of US0.13 cent (HK1.0 cent) per share.

Consolidated Results

Share of profits of associated companies

Profit after taxation and minority interests

Earnings — including extraordinary items

Earnings — from non-commodity operations

Agency Representation and Distribution

of its ongoing business for the balance of the year.

made in 1984. This increased trend is expected to continue in the coming year.

Securities Brokerage and Real Estate

the year ended 31 December, 1985.

**FIRST** 

**PACIFIC** 

1 The 1984 figures have been restated on a comparative basis.

for comparative purposes only at HK\$7.81 to US\$1.0.

Loss from commodity operations

Operating profit

Taxation

Net profit

Dividends

Notes:

Retained profit Per Share Data

Profit before taxation

Profit after taxation

Minority interests

Extraordinary items

and commodity results

Proposed final dividend

Consolidated profit after taxation, minority interests and extraordinary items increased by 78.6 percent to US\$3.582 million

 Earnings per share including extraordinary items and commodity results increased by 77.1 percent to US0.85 cent (HK6.63 cents) compared with USO.48 cent (HK3.74 cents) in 1984. Earnings per share from non-commodity operations increased by

Profit after taxation and minority interests arising from the Group's recurring, non-commodity operations increased by 4.1

 Net extraordinary gains of US\$7.512 million were realized primarily from the sale of a majority interest in certain subsidiaries of Hagemeyer N.V. to Sears World Trade, Inc. and on the sale and leaseback of property in Singapore to an affiliated company.

Losses from commodity operations amounted to USS7.596 million for the year compared with US\$1.088 million in 1984. In

US\$'000

420,433

4,234

9,545

3,496 6,049

2,383 3,666

(7,596)

3,582

546 3,036

**US Cent** 

0.88

2 First Pacific International Limited reports its financial results in U.S. dollars. The Hong Kong dollar figures are supplied

Effective 31 December, 1985, First Pacific International Limited acquired the interests of Hagemeyer N.V. in its commodity

operations pending the completion of sale of the majority portion thereof to a third party which was completed on 16 April,

1986. Accordingly, FPIL's share of the results of such commodity operations for the year are not consolidated but are included in "Loss from Commodity Operations" in the summarized profit and loss statement above.

Dfl 21.601 million (US\$7.804 million) from Dfl 18.165 million (US\$5.117 million) in 1984. Hagemeyer reported an ordinary profit

after taxation from its trading and distribution activities of Dfl 19.739 million (US\$7.131 million) representing an increase of 11.2

percent over the previous year. Extraordinary gains of Dfl 32.568 million (US\$11.766 million) were realized from the sale of a

majority interest in certain subsidiaries to Sears World Trade, Inc. and the sale of other non-strategic assets. Hagemeyer also

and Multitrade B.V. to the Al-Baraka Group, one of the largest Islamic banking organizations in the world with headquarters in

Jeddah, Saudi Arabia. Management of these subsidiaries also acquired a 19 percent interest in both companies, leaving FPIL with a 26 percent interest. Sales consideration was based on the 31 March, 1986 net asset value and amounted to US\$4.8 million. For the first quarter of 1986, as a result of favorable market conditions and the restructuring of the coffee business by FPIL,

the coffee trading division realized operating profits. However, the extent to which such gains will favorably impact FPIL's results for 1986 will be determined by, among other things, the amount of prospective provisions for the coffee division and the results

The contribution to the overall FPIL results from the securities brokerage, real estate agency activities and the Philippine operations, although modest in relation to the Group's aggregate profitability, was substantially higher than the contribution

The Board of Directors today approved the payment of a final dividend of US0.13 cent (HK1.0 cent) per share in respect of

On 16 April, 1986, FPIL completed the sale of a 55 percent interest in its coffee trading subsidiaries Saks International Inc.

reported losses and provisions from commodity operations of Dfl 30.706 million (US\$11.093 million) in 1985.

Hagemeyer N.V., FPIL's principal operating subsidiary, reported an increase in net profit after taxation of 18.9 percent to

1985

HK\$'0002

3,283,582

41,479

<u>33,067</u>

74,546

27,304

47,242

18,611

28,631

(59,325)

27,975

4,254

6.63

6.87

23,711

HK Cents

USS'000

593,931

4,820

9,988

3,519

(1,088)

(125)

2,006

415

0.48

0.85

1,591

1984

HK\$'000

3,076,601

37,644

40,362

78,006

34,903

43,103

15,620

27,483

(8,497)

(3.319)15,667

3,241

3.74

6.64

12,426

**HK Cents** 

By Order of the Board

Manuel V. Pangilinan Managing Director

17 April, 1986

3.5 percent to US0.88 cent (HK6.87 cents) compared with US0.85 cent (HK6.64 cents) in 1984.

for the year ended 31 December, 1985

Annual Results (unaudited)

in 1985 compared with US\$2.006 million in 1984.

#### UK COMPANY NEWS

### Elders challenges bid disclosures in High Court

drinks group, was not referred to the Monopolies and Mergers

The press release that had accompanied the announcement that the Trade and Industry Secretary had referred the bid to the Commission had indicated that one area of concern interest."
was the "gearing" or "leverage" of Elders' finances in reacces did not require an assess-

In many acquisitions the offeror had to revise or increase its offer in the light of market reaction. It had become clear to Elders that it would have to

drinks group, was not referred to the Monopolies and Mergers to Elders that it would have to do so.

Commission to give Allied the chance to "kill the bid," the High Court was told yesterday.

Elders is challenging the legality of the commission's decision to disclose to Allied detailed confidential information given to it by Elders about the way the Australian group proposes to finance a revised bid.

Such disclosure, said Mr Robert Alexander, QC, for Elders, would be wrong and unfair and would seriously prefudice Elders' attempts to take over Allied.

Mr Alexander said the issue was novel: the method of financing a bid was not a factor the Commission usually had to consider when deciding whether a bid was contrary to the public interest.

The press release that had to commission to decide whether the takeover would operate against the public interest.

operate against the public in-

operate against the pupile in-terest.

"The purpose is in no sense to give Allied an opportunity to kill the bid, as opposed to mak-ing submissions on the public interest."

The soundness of Elders fin-

A £1.80n bid by Elders IXI., gard to the acquisition of Allied. ment by Allied. Elders had the Australian group with In many acquisitions the always been willing to give the brew and agriculture interests, offeror had to revise or increase Bank of England or other indefined Lyons, the food and drinks group, was not referred reaction. It had become clear on which to assess its ability to finance the purchase adequately

The Commission could legiti-mately be concerned with the availability of finance for the future development of Allied's business, Mr Alexander acknow-

ledged.

Elders accepted that for that purpose it would be relevant to obtain Allied's views on the necessary level of future financing. What it did not accept was that it was relevant for Allied to know how Elders proposed to provide the finance.

The commission had a clear duty to avoid prejudicing the outcome of the bid if, at the end of the reference, it was allowed to "proceed for determination in the marketplace,"

Mr Alexander said.

The learing continues today,

Mr Alexander said.

The hearing continues today, when the judge will decide whether, as Elders wants, he should be shown the confidential information. If he agrees to do so the hearing will go into private session — probably in the absence of Affied's lawyers, some of whom are also advising the company in the reference, and therefore could not properly see the dis-

#### **Olympia** determined to resist Hiram sale

Olympia and York, the Canadian real estate and resources group which is expected to win control of Hiram Walker Resources when its offer opens on Canadian stock exchanges today has signalled its determination to resist strongly Hiram's earlier agreement to sell its liquor business to Allied-Lyous.

Mr Keith McWalter, chairmr Neith mcWarrer, Chairman of Olympia's 80 per cent owned subsidiary Guif Canada, said in a letter to Hiram distillery workers yesterday that unspecified conditions in the agreement between Hiram and Allians as further Lyons as well as further legal action may prevent the sale of this important asset." The Allied Lyons purchase

The Allied-Lyons purchase requires federal government approval under Canada's foreign investment law.

Olympia has appealed against a retent decision by the Ontario Supreme Court dismissing its request for an injunction to but the sale of Hiram's liquer business to Allied-Lyons.

However, Allied yesterday repeated that it had a legally binding agreement with Hiram Walker and would re-

binding agreement with Hiram Walker and would re-gard any appeal by Olympia as "timewasting."

#### **Atlantic Computer stake** changes hands for £13m

BY LIONEL BARBER

A 9.4 per cent block of shares in Atlantic Computers, primarily a leasing company for per cent of Atlantic. The IBM has changed hands in a younger Jagger is to join the film deal involving a Panamanian-registered company called the Peakhurst Corporation.

The deal means that Peak-

Peakhurst, advised by Mr Nigel Jagger, has acquired the stake from Mr Vernon Davies, a director of Atlantic, who is to step down to develop his pro-perty interests.

Mr Jagger, a 32-year-old fin-ancier, is the son of Mr Len Jagger, an adviser to the pri-

#### BOARD MEETINGS

The following compenies have notified dates of board meetings to the Stock Exchange. Such meetings are usuelly held for the purpose of considering dividends. Qfficial indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetable.

Knitweer).	
FUTURE DATES	
interims:—	
louiton (William)	Apr 25.
olorgen	Apr 25
nglish China Clays	May 15
lational Home Loans	May 6
ismuel Properties	Apr 28
Velicome	
Vernyss investment Trust	May 1
lertem ,,,,,	Apr 29
hepstow Racecourss	Apr .25
copper Industries	Apr 30
Pavies and Newman	Apr 24
eritend Stamping	May 22
erguson Industrial	
istes (Frank G.)	May 28
factellan (P. and W.)	May 9

The deal means that Peak-hurst's shareholding in Atlantic-rises to 15.4 per cent of the ordinary share capital.

Mr Jagger is to purchase 2.48m shares at 240p from the V.J.E. Davies Children's Settlement: irrevocable put and call options have been granted for 1.24m shares at 270p, exercisable up to June 1987; further such eptions have been granted for a total of 1.2m shares exercisable up to June 1988 at 300p

#### **Fast-growing St Ives** nears £4m halfway

St. Ives Group, printer and for this half improved from bookbinder, which came to the 12.9p to 20.4p, and fully market in September 1985, has diluted from 11.1p to 17.5p. amounced a pre-tax profit of 23.95m: for the six months to end-January 1986, against a previous £2.52m.

The results include a £1.22m (£547-900) contribution from Richard Clays acquired in December, and £1.32m (£86,000) from Chase Printers, (£806,000) from Chase Printers, acquired in April. Both companies operated independently during the balf-year. The comparisons include the results of Clay and Chase as if they had been part of the group for the whole of the period.

As previously indicated, the directors are paying a 3p interim dividend. They expect to recommend a 6p final, Stated basic net earnings per 10p share

In addition to the Clay and Chase acquisitions, last month inte<sup>13</sup>

CP li

the company purchased the heatset magazine printing business of EMAP. Its results will be included in the second half. Mr-Robert Gavron, the chairman, states that St Ives has now become one of the largest printing groups in the country. It is in a strong position to consider further acquisitions

Total turnover for the group was £34.8m (£27.09m), with St Iyes at £10.9m (£9.25m), Clay ££4.62m (£10.99m) and Chase E9.27m (£6.85m).

Tax took £1.47m (£954.0007, to leave net profits of £2.48m (£1.57m).

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange. Application has been made to the Council of The Stock Exchange. For the glain of permission to deal in the whole of the issued share capital of the Company in the Unlisted Securities Market, it is emphasized that no application has been made for the securities to be admitted to listing.



\*Placing by

HENRY ANSBACHER & CO. LIMITED of many make in

1,600,000 Ordinary shares of 10p each at 72p per share

Authorised

issued fully paid 500,000

in Ordinary shares of 10p each

The principal business of Splash is the design, printing, packaging and marketing of a wide range of leisurewear and leisure products. A proportion of the shares has been offered to the market and may be available to the public through the market during market hours today.

Full particulars of the Company are available through the Extel Unlisted Securities Market Service. Copies of the Prospectus and of Extel Cards can be obtained until 9th May, 1986, from:—

Priory House, One Mitre Square, London EC3A 5AN

Greig, Middleton & Co., 78 Old Broad Street, London EC2M 1JE

Becque Bru garing Brot

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police Mesic

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gaiss Bank

SG Warbu:

This advertisement is issued in compliance with the requirements of the Council of The Stock Exchange.

Application has been made for the grant of permission to deal in the Unlisted Securities Market on The Stock Exchange in the issued Ordinary shares of Ernest Green and Partners Holdings plc. It is emphasised that no application has been made for these securities to be admitted to listing. A proportion of the shares being placed may be available to the public through the market during market hours today.



#### **Ernest Green and Partners** Holdings plc (Registered in England - No. 1869543)

Placing by County Bank Limited of 2,115,285 Ordinary shares of 5p each at 1,20p per share

Share Capital

£500,000

in Ordinary shares of 5p each

issued and to be issued fully paid

Ernest Green and Partners Holdings plc is a prominent structural engineering consultancy operating in the United Kingdom. The group provides consultancy services principally on building projects such as retail developments, offices, warehouses and other structures and is a leader in the field of developments for major

Particulars of Errest Green and Partners Holdings plc are available in the Extel Unlisted Securities Market Service and copies of such particulars may be obtained during usual business heurs on any weekday (Saturdays excepted) up to and including 7 May, 1986 from:— **County Bank Limited** 

11 Old Broad Street

Phillips & Drew

# NOW YOU SEE US

#### THEN YOU DIDN'T

he origins of the Folkes Group go back to 1699 when the Ordnance map of the day showed a forge on the banks of the River Stour at Lye in Stourbridge-where we still are. This heritage in engineering meant that our products were mostly components in the end products of other companiesand thus rarely seen in their own right.

More recent history has seen a shift in emphasis with the group restructuring itself around modern markets and areas of new opportunity by building on the company's experience-marrying excellence to enterprise and forging a new future in more stable and profitable sectors.

#### FINANCIAL HIGHLIGHTS **OF 1985**

(year ended 31st December)

1984 £62.3m Turnover (external) 68.4m Profit Before Tax £2.15m £1.64m Earnings Per Share 4.20p 3.21p Final Dividend Per Share Net Assets Per Share 57.5p



#### **FOLKES GROUP PLC**

Forge House, Old Forge Trading Estate, Dudley Road, Lye, Stourbridge, West Midlands DY9 8EL. Telephone: 038 482 3111. Telex: 337326

#### NOW YOU SEE US

his enterprise route has taken us into more visible markets bringing Folkes Group products into view all over the world in the areas of property construction and leasing, swimming pools as well as furniture for kitchens, bedrooms and bathrooms-whilst maintaining a solid presence in the more buoyant areas of engineering. This diversification has been brought about to ensure the company's long term security and

profitability and reflects our policy of sensible rationalisation, controlling costs, improving efficiency and always looking forwards to tomorrow's markets-looking ahead to stay ahead.

#### **UK COMPANY NEWS**

### **Boase Massimi jumps** 51% to record £3.9m

Boase

Massimi

**Polit** 

IN A year of significant invest-ment, Boase Massind Pellitt, advertising agency, lifted pre-tax profits by 51 per cent from a restated £2.58m to a record £3.9m in 1985. The result reflected both the group's en-larged size and the organic growth of its component com-panies.

lympia .

Henning.

resist

iram 👊

420 mg 4 mg

Earnings per share increased to 16.14p fully diluted, against a restated 7.65p or 11.2p as previously reported. The final dividend is 3p net making a total up from 3.5p to 4.5p after allowing for last year's share subdivision.

tivision.

Turnover reached £73.01m (£64.41m). The results include a first full year's contribution from Marketing Solutions and 1984 figures have been restated to reflect this company's results.

The two major components of the group, The Boase Massimi Pollitt Partnership and Marketing Solutions, both enjoyed successful years. Marketing Solutions met its target for 1985 and only falled to reach the profit threshold triggering a bonus purchase payment due to the US restructuring costs. The company substantially increased its total fee income and achieved a significant improvement in margins.

a significant improvement in margins.

BMPP had a good year, which was only marred by a new business record in the latter half that was not up to the agency's usual standard and will inevitably restrict its billing growth in the earlier part of 1986.

The directors say the new year has begun very well for the group, with all member-

**Centreway Inds** 

Centreway Industries, Birm-ingham-based investment hold-

There is no dividend for the

Turnover for the group, which has interests including

footwear, yachts, computers cars and commercial vehicles

jumps to

over £0.6m

the fulfilment of this strategy and further moves are planned for 1986, they conclude.

comment

The City had been well prepared for a pedestrian performance from Boase Massimi Pollitt, yet its shares fell by 10p to 349p yesterday. The profit takers may regret it. As the agency admits, 1985 was a frustrating year in which it creamed the now customary clutch of creative awards and regularly topped polls as "the agency most advertisers would choose if..." but was singularly unsuccessful at winning new business. In the opening months of 1986 new business has already outstripped that for the whole of 1985. Among the £18m of new billings is the Dulux business which has now become the largest account at the the largest account at the agency. BMP began 1985 with the express intention of diversicompanies succeeding in attracting major new clients. BMPP has made an excellent start to 1986, and Marketing Solutions has also achieved an encouraging new business run over the past few months. The three smaller ventures have all-had their own successes. ring outside the core agency.
Of last year's batch of acquisition's only Marketing Solutions contributed, indeed these results would have looked these results would have looked distinctly lacklustre without it. But all the acquisition, even the agency start-ups, will produce profits in 1986. BMP is sticking to its strategy of diversifying into other areas of

diversitying into other areas of marketing services in this country and into developed advertising markets overseas. The City expects profits of £4.8m in 1986 producing a p/e of 19, a rating which has yet

to recover from last year's legal prospects seen augur well for wrangling.

### **High capital spending**

The issue price will be determined by reference to the price of the treasury stock at 3 pm yesterday. Payment will be £25 per cent immediately and the

Main profit centres lift **Hartons** by 16%

Hartons Group, the plastics distributor and appliance maker which last year failed in a £6m bid for another plastics company Cole Group, yesterday reported a 16 per cent rise in taxable profits for 1985 to £1.89m.

The directors say that Visijar Tuckers in the plastics division, and Elson and Robbins in the foam and spring side— the major profit contributors— have continued their progress in the current year. They are ahead of budget for the first

quarter. Further organic growth is expected at VT, and it is hoped that there will be an extension

of its activities overseas.

The consumer products side has, as expected, started the year "very poorly," but the directors say that this is more than compensated for by the "continuing performance of other members of the group." other members of the group."
"However, with the belief

that the problems of the consumer products division will be solved during the current year, the board looks forward

year, the board looks forward to a future of enhanced activity and progress."

Turnover in 1985 more than doubled to £53.53m (£25.71m), and the profits were subject to tax of £395.000 (£624,000). An extraordinary debit of £400,000 (£335,000) related to closures and liquidation costs.

With stated earnings per share of 3.31p (3.39p) the dividend is lifted from 1.155p to 1.27p per share with a final of 0.829p (0.77p).

#### **Great Portland** places £25m debenture

Great Portland Estates is placing £25m 9.5 per cent first mortgage debenture stock 2016 on a yield basis. Investors were asked yesterday to subscribe for the stock at a margin of 0.95 per cent above the gross re-demption yield of 131 per cent Treasury Stock 2004-2008.

directors say that heavy expenditure has once transitically increased the by's depreciation charge, to policy it pursues as to end-1985 earnings per share etced in the full year's ected in the full year's company has just profits of £1205m.

The company says that its cash balances at the end of March 1986 have been used or are committed and in view of the accelerating development programme it was thought sensible to seek long-term finance.

Cradley Print, the west Mid-lands-based lithographic printer, ing well in excess of £1.5m. The turned in a virtually static new warehouse bay has also result at the pre-tax level for been completed and occupied, the first half of the 1985-86 while additional office accom-year. The return, at £482,000, modation is nearing fruition, compares with £474,000 last time, and came out of turnover machinery is contemplated. ing company, has improved pre-tax profits by £561,000 to £619,000 for 1985. It returned to the black at the halfway stage with profits of £300,000 (£79,000) after suffering a loss in the second half of 1864, The first tranche of the regional selective assistance from the department of industry has now been received for the sum of £180,000. Further funding "at realistic interest rates" has been made available from the European Coal and Steel of £4.82m, some 21 per cent

leaves Cradley static

195 196

or 24.5.2m, some 21 per cent ahead.
Profits at the trading level were down £16,000 at £387,000, but the company benefitted from higher investment income of £74,000 (£38,000). year. In 1984 a 0.1p interim payment was made. Net earn-ings per 10p share are shown up from 0.7p to 2.8p.

The directors say that heavy capital expenditure has once again dramatically increased the company's depreciation charge, and the policy it pursues as regards depreciation will also be reflected in the full ways rose only slightly, from £27.73m; to £28.04m, generating a profit of £619,000 (£370,000). be reflected in the full year's figures.

This advertisement compiles with the requirements of the Council of The Stock Exchange. It does not constitute an offer of, or invitation to subscribe for or purchase, any Bonds.



### **Enterprise Oil plc**

£50,000,000

10 per cent. Bonds Due 1993

Issue Price 100 per cent.

The following have agreed to subscribe or produce subscribers for the above Bonds:-

J. Henry Schroder Wagg & Co. Limited

Banque Bruxelles Lambert S.A. Baring Brothers & Co., Limited **County Bank Limited** Daiwa Europe Limited Dresdner Bank Aktiengesellschaft **Hambros Bank Limited** Lloyds Merchant Bank Limited The Nikko Securities Co., (Europe) Ltd. Salomon Brothers international Limited Swiss Bank Corporation International Limited S.G. Warburg & Co. Ltd.

**Barclays Merchant Bank Limited** Cooperatieve Centrale Raiffeisen-Boerenleenbank B.A. **Credit Suisse First Boston Limited Deutsche Bank Capital Markets Limited EBC Amro Bank Limited** Kleinwort, Benson Limited Samuel Montagu & Co. Limited Nomura International Limited Standard Chartered Merchant Bank Limited Union Bank of Switzerland (Securities) Limited Yamaichi International (Europe) Limited

Application has been made to the Council of The Stock Exchange for the Bonds to be admitted to the

Particulars relating to the Bonds are available in the Edel Statistical Service. Listing particulars may be obtained during usual business hours up to and including 24th April, 1986 from the Company Announcements Office of The Stock Exchange and up to and including 6th May, 1986 from:

J. Henry Schroder Wagg & Co. Limited, 120 Cheaps London EC2V 6DS

Enterprise Oil pic, 5 Strand, London WC2N 5HU Cazenove & Co.,

James Capel House, 6 Bevis Marks, London EC3A 7JQ

23rd April, 1986

### Scusa profits rise sharply

Scusa, the US security group with a UK listing, lifted pre-tax of new systems shows a marked profits from \$7.12m to \$11.03m increase and has produced additional recurring revenue. time was struck after \$1.07m amortisation of subscriber con-

Revenues climbed from \$30.05m to \$53.56m. Tax charge was \$0.8m (\$0.5m) and earnings per share improved from 15 cents to 17 cents. A final of 1.35 cents makes a total of 2.2 cents (1.8 cents). The contract renawal pro-

gramme has resulted in over 90 per cent of the company's clients now being on current five year contracts and this, together with the trouble reduction programme, has produced a much more secure recurring revenue stream.

A US listing of the company's shares continues to be an option, and partly for that reason but primarily to assist current marketing effort, the company is proposing to change its name to Holmes Protection Group at the AGM. Holmes is well known throughout the US.

The board said 1985 was a year of cleaning up Holmes, which was acquired in 1984; of carrying out the initial integration while maintaining the tion while maintaining the performance of the old Scusa businesses and preparing to complete the task. Substantial benefits remain to be extracted.

#### Granville & Co. Limited

Member of The National Association of Security Dealers and Investment Managers 8 Lovat Lane London EC3R BBP Telephone 01-621 1212

This announcement appears as a matter of record only.



#### **COLGATE-PALMOLIVE** COMPANY

ECU 75,000,000 8% Bonds Due 1991 Issue Price: 101 1/2%

Chase Manhattan Limited

Banque Bruxelles Lambert S.A. Generale Bank

BankAmerica Capital Markets Group Banque Indosuez

**Banque Paribas Capital Markets Limited** Credit Suisse First Boston Limited

Goldman Sachs International Corp. Manufacturers Hanover Limited Samuel Montagu & Co. Limited

**Orion Royal Bank Limited** Union Bank of Switzerland (Securities) Limited

Berliner Handels- und Frankfurter Bank Kredietbank International Group

**Bankers Trust International Limited** Banque Nationale de Paris Citicorp Investment Bank Limited **Deutsche Bank Capital Markets Limited** Lloyds Merchant Bank Limited **Merrill Lynch Capital Markets** Morgan Guaranty Ltd

Salomon Brothers International Limited



Chase Investment



**COLGATE-PALMOLIVE COMPANY** 

ECU 75,000,000/\$70,000,000 Currency Exchange Agreement Due 1991

Arranged by Chase Manhattan Capital Markets Corporation



Chase Investment

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Whether you have requirements for 5 or 50 people - overnight or just for the day - you can count on all our hotels delivering a consistently high

The hotels listed form part of a selection offering Supersaver prices until 1st June 1986.



Prices below are per person per day for meetings of 5 or more people and include:

#### DAY MEETINGS

Meeting room hire, morning coffee and biscuits, buffet luncheon and coffee, afternoon tea and biscuits, squash, iced water, Ashbourne water, flipchart, pad and pencils, Service and VAT.

#### RESIDENTIAL MEETINGS

The Day Meeting Package plus dinner with coffee, overnight accommodation with private bathroom, full breakfast, Service and VAT.

	24 H.R.	DAY	01-201-24	נדנ	7		24 HRL	DAY
ABERGAVENNY, The Angel		Į.				NOTTINGHAM, The Albany		
0873 7121	138.00	13.50		24 HR.	DAY	0602 470[3]	£59.00	74 00
ALDEBURGH, The Brudenell				£11100.	Del	PEEBLES, The Timtine		
072885 2071	£40.00	13.75	HAVANT, Post House Hotel	-	-	072(20892	\$35,50	14.50
AVIEMORE, Post House Hotel			11795 465011	\$50.00	I 1.00	PERTH. The Royal George		
0479 810771	234,50	13.50	HEREFORD, The Green Dragon			0738 24455	£33.00	14.00
ALVESTON, Post House Hotel			0432 272506	£42.00	14.00	PITLOCHRY, The Atholl Palace		
0-154-412521	\$58,00	18.50	<b>HUDDERSFIELD</b> , The George			0796 2400	233.00	14.00
BANBURY, Whateley Hall			1484 25444	£35.00	14.50	SALISBURY, The White Hart		- 1150
0295 3451	00.222	17.50	KESWICK, The Keswick	_		0722 27476	£45.00	15.00
BARNBY MOOR/RETFORD,			0596 72020-	£33.00	15.00	SHAFTESBURY. The Grosvenor	- may	19.00
Ye Olde Bell			KING'S LYNN, The Duke's Head				\$25.00	1250
0777 705121	244.00	13.00	0553 774996	£46.00	13.00	SHEFFIELD.	4.50.00	الحميدا
BIRMINGHAM,			LEEDS. The Metropole			Grosvenor House Hotel		
Post House Hotel			0532 450841	£45.00	13.00		£47.50	1400
021-357 7444	00.662	15.00	LEEDS/BRADFORD,			SKEFFELD.	211.30	14.00
BUCKHURST HILL,			Post House Hotel			Hallam Tower Post House Hotel		
The Roebuck			0532 842911	£58.00	15.00	0742 686031	£47.50	1100
01-505 4636	€50.00	15.50	LEICESTER, Post House Hotel			SHERBORNE, Post House Hotel	441.30	14.00
BRIGHTON & HOVE,			0533 896688	551.00	14.00		C41 00	75.00
The Dudley			LLANELLI, The Stradey Park			· · · · · · · · · · · · · · · · · · ·	£41.00	15.00
0273 736266	\$55.00	17.50	0554 758171	\$27.00	12.00	SHREWSBURY, The Lion		·
CARDIFF. Post House Hotel			LLANGOLLEN, The Royal				£42.00	13.00
0222 731212	147.00	13.50	0978 860202	£39.00	12.00	STOKE-ON-TRENT,		
CHICHESTER,			MALTON, The Taibot			The North Stafford		
The Dolphin & Anchor			0653 4031	£31.50	13.00		£55.00	15.00
0243 785121	\$53.00	15.50	MATLOCK BATH,			STRATFORD-UPON-AVON		
DEREHAM, The Phoenix			The New Bath Hotel			The White Swan		
0362 2276	£43.00	13.00	0629 3275	£45.00	14.50	0789 297022	£45.00	15.00
EDINBURGH, Post House Hotel			MORETON-IN-MARSH.			SWANSEA, The Dragon		
331-334 8221	\$58.00	16.50	The White Hart Royal				244.00	15.00
EPPING, Fost House Hotel				00.122	13.50	SWINDON, Post House Hotel		
G78 73B7	255.00	15.00	NEWBURY, The Chequers		10.00		£59.00	15 00
GLASGOW, The Excelsion		<del>-</del>		90.832	17 00	THETFORD, The Bell		
HE887 1212	00.002	16.00	NORTH BERWICK, The Marine				£45.00	15 00
GREAT DUNMOW,		- · <del>-</del>		\$36.00	13.00	TONBRIDGE.	- 101110	.0.00
he Saracen's Head			NORWICH, Post House Hotel		- 5100	The Rose & Cruwn		
37] 390[	£48.00	15.00	0603 56431	\$49.00	15.00		£45.00	17.00
				~	a Language	V-02 D01999	L73.00	13.00



#### **UK COMPANY NEWS**

#### Richard Tomkins looks at Antler's flotation BAT's scrip issue Bags packed and alternative heading for the USM for dividend

By Charles Batchelor

THE PLAN by BAT Industries, the tobacco-based conglomerate, to offer shareholders the choice of a share dividend instead of of a share dividend instead of one in cash will take the form of a one-for-54 scrip issue, the company announced yesterday. BAT, which first revealed plans for the share dividend when it announced its preliminary 1985 figures last month, said the idea had been anywested by a small chare. month, said the idea had been suggested by a small share-holder. The company added that it had decided to go shead because it was keen to extend the role of small shareholders. This will allow shareholders to increase their holding without incurring dealing costs but will have no impact on their tax position.

The company benefits by re-

The company benefits by rethe company occurrents by re-taining the cash equivalent of the scrip dividend and by saving on the payment of advanced corporation tax. The scrip issue is an alternative to a cash payment of E.35p per share. The effective cost of shares taken up under the scrip issue will be 3964p, compared with BAT's closing price of 421p yesterday.

#### ATA Selection

In line with the forecast of minimum £580,000, the ATA Selection specialist employment agency turned in a pre-tax profit of £596,000 for 1985. It joined the USM last July.

Turnover came to £2.47m (£2.35m). Profit attributable was £347,000 (£239,000) for earnings of 3.71p (2.55p) per share. As promised, the final dividend is 0.9p net.

Suddenly the rigid, engin-eered suitcase that would serve

industry has been decimated by imports: of well over 30 makers in 1970, only three of note remain today. Antler, however, has fought hard against the onslaught and survived with its market share intact. Not content with that, it is now going for a flotation on the Unlisted Securities Market—a move which it hopes will give it the muscle not just to expand in the UK but also to take its battle for sales over-

seas.
Imports—mainly from the Far East — now dominate the f60m-a-year British market for travel goods, taking about 80 per cent of sales, but Antler claims to have kept market leadership with a 15 per cent share. Last year it had turnover of f9 50m and profits of 5000000 of £9.5m and profits of £700,000.

The other main players are Samsonite of the US. Delsey of France, and Constellation and

Spartan of the UK, all thought to have single digit shares. As one of the oldest names in the travel goods business, it seems fitting that Antier should have survived. Formed in 1919, it originally made leather covered wooden

trunks, but in the 1980s it developed a fibreboard suitcase covered with leathercloth and supported by a steel wire frame. This set the style for suitcases However, the luggage industry has never stood still,

"LOOK WHAT'S happened to luggage," reads the slogan on advertisements for Antier's latest range of travel goods.

Patriots would be advised not to look too closely. In the past 15 years the British luggage Suddenly the rigid, engineered suitcase that would serve



With evolution turning to revolution in the 1970s it seems fitting that Antler, one of the oldest names in travel goods, should have survived

the whole family for 25 years was out, and floppy 25 bags in fashionable colours were in. The demand for these highrolume synthetic bags favoured Far East producers with their lower production costs, and by the mid-1970s imports were making themselves felt. For UK producers, matters worsened as the reservice house to be the secretary to the producers. the recession began to bite.

with the importers it set up its sources of supply in Cyprus and

Consequently the shake-out among other British manufac-turers played into its hands because it was able to pick up several well-known trade marks as its rivals went out of business — notably Revelation and

Crown.
Today, Antier makes not just suitcases but also sheulder bags, attache cases, wardrobe packs and vanity cases. It uses its own name for the middle-to-up-market products, most of which are made in Britain, and the Revelation and Crown names for the middle to mass market products, which tend to be sourced overseas. be sourced overseas.

More than half its turnover comes from supplying own-lated travel goods to retailers such as Marks & Spencer, House of Fraser and Selfridges. Antler's offer for sale, spon-sored by brokers Rowe & Pitman, is due next Monday. It will give the company a market capitalisation approaching £10m

A substantial portion of the shares to be offered will be sold by Harris & Sheldon, the privately owned industrial congiomerate which acquired Antier in 1962. Harris & Sheldon will be cutting its stake to about a third and using the proceeds to pay off loans.

From Antier's point of view, the flotation will raise its public profile, boost its status and provide it with an injection

Antler, however, saw early on and provide it with an injection the way things were going and of working capital as it pursues took action to protect its market its plans for maintaining the share. In 1874 it bought a face 25 per cent profits growth it has tory in Exeter to meet the achieved over the past five demand for soft luggage and years.

#### COMPANY NEWS IN BRIEF

THE SCOTTISH Mortgage & for the year advanced from the provided from the state of the pear advanced from the pear to 650.29 in its net asset value per ordinary stock unit after deducting prior charges at par, in the year to March 31, 1986. Stated earnings per share fell from a new to from the pear to March 31, 1986. Stated earnings per share fell dividend from an adjusted 153m (\$4.9m) in the grant of the pear to March 31, 1986, and dividend from an adjusted 153m (\$4.9m) in the grant of the pear to March 31, 1986, and dividend from an adjusted 153m against the pear to 133p, but the total remains amounted to 12.53m against probable at 2.325m. Net asset 1980,000. After the down from the pear to 153p, but the total remains amounted to 15.53m against probable at 2.325m. Net asset dividend is raised from 4.3p to to 1.33p, but the total remains amounted to £2.63m again 5.3p for an increased total of unchanged at 2.325p. Net asset £980,000. After tax down from the contract of the contr 8.5p (7.5p). Pre-tax revenue value per 25p ordinary share £1.51m to £1.28m, revenue avail-

investment company, increased its pre-tax profits from £125,500 to £183,500 in 1985, and the dividend is raised from 0.55p to 0.7p. Stated earnings per 10p share advanced from 0.79p to 1.15p. Tex took 255,000 against

22nd April, 1986

This announcement appears as a matter of record only.

New Issue

22nd April, 1986

¥10,000,000,000



(a wholly-owned subsidiary of Dansk Olie & Naturgas A/S) (Incorporated with limited liability in Denmark)

71/2 per cent. Guaranteed Redemption Notes Due 1991

Unconditionally guaranteed by

The Kingdom of Denmark

Issue Price 101½ per cent.

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Goldman Sachs International Corp.

Kleinwort, Benson Limited

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#### KINGDOM OF DENMARK

Japanese Yen 10,000,000,000

54per cent. Notes due 1991

Issue Price 1014 per cent.

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Banque Bruxelles Lambert S.A. Daiwa Europe Limited

New Japan Securities Europe Limited

Manufacturers Hanover Limited

Nippon Credit International (HK) Ltd Nippon Kangyo Kakumaru (Europe) Limited

The Nikko Securities Co., (Europe) Ltd.

Taiyo Kobe International Limited

Wako International (Europe) Ltd.

Privatbanken A/S

Copenhagen Handelsbank A/S

Den Danske Bank

#### FT LAW REPORTS

### No Euro-defence to potato levy case

POTATO MARKETING BOARD v. DRYSDALE Court of Appeal: Lord Justice Balcombe and Str John Megaw: March 25 1986

TO SUCCEED on an appeal from summary judgment for refusing to pay contributions due to a statutory body, the defendant must show he has an arguable defence; and if his reason for withholding payment was that he awaited he result of a similar case, he will not be granted leave to defend if his evidence would prove no more than was proved in that case, and identical defences were there held to be unarguable.

The Court of Appeal so held when dismissing an appeal by Mr John Drysdale from Sir Mr John Drysdale from Sir Neil Lawson's judgment up-bolding a decision of Mr Deputy Registrar Robin Mitchell, that the Potato Marketing Roard was entitled to summary judg-ment against Mr Drysdale for levy contributions. The contri-butions were due under the Potato Marketing Scheme 1955 as amended by the Potato Marketing Scheme (Amendment) Orders, 1962, 1971 and 1976.

LORD JUSTICE BALCOMBE, giving the judgment of the court, said that the common facts agreed between the par-ties were that the Potato Mar-keting Scheme provided for the registration of potato producers with a planting area of fourtenths of a hectare or more. Every registered producer

was required to pay the board an ordinary contribution based on a rate per hectare and where he exceeded the quota area, an excess area contribu-

tion.
The purpose of the excess area contribution was to discourage significant over-planting, and reduce the need for excessive market support. Not all registered producers

were content with the board's operations and some had been unwilling to pay contributions. On December 2 1980 the board issued a summons against registered producers called Robertsons for their 1979 contribution. On December 4 1981 it issued another summons against Mr Drysdale for his 1980

contribution. Mr Drysdale served a defence, saying he believed the board's claim to be illegal under the Treaty of the European Economic Community (EEC), and that he was withholding payment unless the case against Robertsons proved otherwise.

On September 8 1982 Judge Clark, QC, gave judgment in the Robertsons case ([1983] 1 CMLR 937).

Robertsons had raised separate defences under articles 34, 37 and 86 of the EEC Treaty. The judge rejected all three. On the defence under article 34 (that the system had an

tions had no restrictive effect incumbent on Mr Drysdale, who on potato exports.

be given leave to relitigate

issues of fact decided in favour

The court could not ignore

the decision in Robertsons,

especially because when it suited him, Mr Drysdale chose

to hang on the Robertsons' coat-

tails. The affidavits sworp on his

behalf in the present proceed-

ings were not sufficiently specific or detailed to persuade the

nc or detailed to persuade the court that he had an arguable case on the facts over and above the agreed facts.

So, if the matter were to depend solely on Mr Drysdale's establishing facts beyond the agreed facts, there could be no

fficient ground for granting

As to the law, article 34 (1) provided that quantitative restrictions on exports and all measures having equivalent effect were prohibited between

member states.
Mr Prout, for Mr Drysdale, submitted that the system taken

as a whole had an inherent bias against exports.

After careful consideration of article 34 and European Court

article 34 and European Court decisions (see Dassonville [1974] ECR 837, Pig Marketing Board [1978] ECR 2347, and Oebel [1981] ECR 1993), the court was unpersuaded that the agreed facts, or any inference

that might he drawn from them,

effect equivalent to quantitative restrictions on exports.

If one compared the situation as it was with the situation as it

would be were there no such measures, one could not say as

a matter of necessary inference, that the absence of those mea-

sures would lead to an increase

of exports.

Article 37 provided that member states should adjust

any state monopolies of a com-

mercial nature so as to ensure that no discrimination regard-

ing the conditions under which goods were procured and mar-

keted existed between nationals

The article applied to a body through which a member

state directly or indirectly supervised, determined or

supervised, determined or appreciably influenced imports or exports between member

There was no evidence that

the board determined or appreciably influenced exports.

That disposed of the defence under article 37.

abuse by one or more under-

Neither the agreed facts, nor any inference that might fairly

be drawn therefrom, estab-lished that consumers were prejudiced by the board's activi-ties. Indeed, they might benefit

from the market stability which

the system was designed to en-

Nor was there any evidence that the system affected trade

between member states: that was the "quantitative restriction on exports" point in another guise. So it was un-necessary to decide whether the board had a dominant position within a substantial part of the Common Market (viz Great

Mr Drysdale sought to raise

one defence which was not raised in Robertsons, under

That article provided that member states should abolish between themselves customs

duties on exports and charges having equivalent effect.

Prima facie, article 16 only extended to charges levied by

reason of goods crossing fron-tiers. However, Mr Prout referred to Apple and Pear Development Council [1983] ECR 4083, where the Council

claimed against a registered grower for payment of the compulsory levy assessed on the area planted. The court referred a number of questions to the European Court under article 177, includ-

ing a question relating to the validity of the levy. The European Court held that the levy fell within the scope of

levy fell within the scope of article 16, but since it did not apply to imported produce and only affected produce intended for export in the same way as produce sold on the home market, it did not raise any problem in relation to article

16. The court went on to bold

that the Treaty rendered un-lawful the requirement for growers to finance the activities of a body such as the Council by payment of a charge, if and

in so far as those activities were

The appeal was dismissed. For the Potato Marketing Board: C. W. Bellamy QC and S. N. Morris (Ellis and Fair-

For Mr Drysdale: C. 1. Prout

By Rachel Davies

Barrister

(J. C. H. Bowdler and Sons,

bairn).

Shrewsbury).

Britain).

article 16.

Article 86 provided that any

of member states.

leave to defend.

of the board in that case.

On the defence under article progress of Robertsons to be (that the board was a state very specific as to why he should 37 (that the board was a state monopoly of a commercial character discriminating character distribution between nationals of member states) he held that even if, contrary to his view, the board to his view to his vi was a state monopoly of a com-mercial character, no dis-crimination had been proved.

On the defence under article 86 (that the board had abused a dominant position in the Com-mon Market) he held that the board did not have a dominant position, and no abuse had been

Shortly after that judgment, shortly after that jungment, the board wrote to Mr Drysdale stating its intention to proceed in the action. Mr Drysdale refused to pay as Robertsons was under appeal.

The board obtained an order against Mr Drysdale for payment into court of £1.361 to abide the event, with judgment in default. No sum was ever paid in and, on December 22 1983, judgment in default of

payment was entered.
On June 29 1984 the Robertsons appeal to the Court of Appeal was dismissed by con-sent. Mr Drysdale now sought to raise in the present proceed-ings the same defences under EEC law as were raised by Robertsons.

Robertsons.

The board having obtained judgment under Order 14 of the Rules of the Supreme Court, the question was whether Mr Drysdale could satisfy the court that there was "an issue . . . to be tried. . . ."

Mr Bellamy, for the board, submitted that Mr Drysdale did

established that the measures operated by the board had an submitted that Mr Drysdale did not show any triable issue on the facts or on the law. Also he alleged that the default judgment of December 22 1983 raised an issue estoppel against Mr Drysdale.

The basis of that claim was that it would have been open to Mr Drysdale in those proceedings to have raised the EEC defences which he now sought to raise. Having failed to do so, it was said, he was now estopped from raising them in the present proceedings.

On an application under Order 14 in a case where questions of EEC law arose, it would be inappropriate to hold that the defendant was estopped by a default judgment given against him previously.

If Mr. Drysdale were able to show that the agreed facts were

sufficient to establish a contravention of one or more of the articles, he would be entitled to leave to defend.

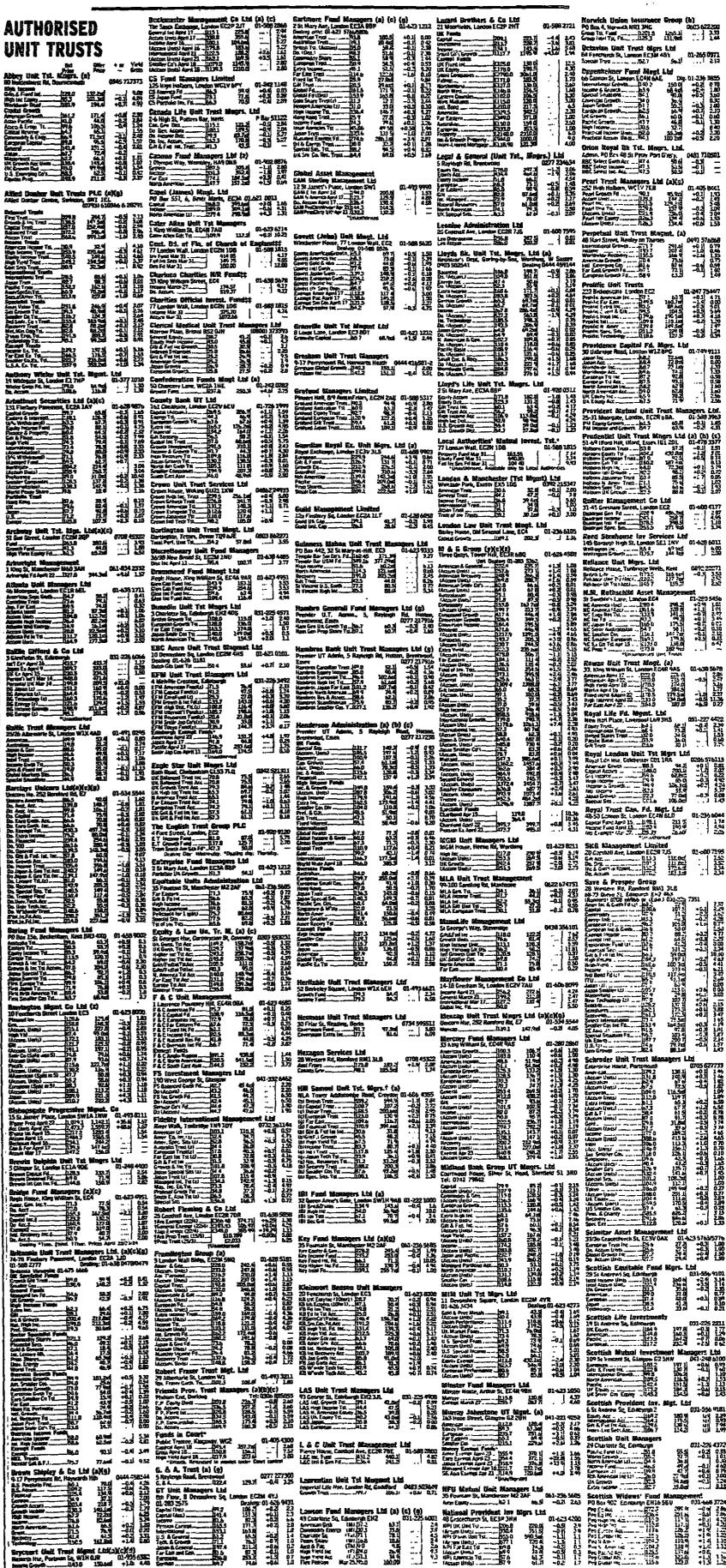
He was not bound by the findings of fact in Robertsons abuse by one or more under-takings of a dominant position within the Common Market or in a substantial part of it, should be prohibited as incom-patible with the Common Mar-ket so far as it might affect trade between member states. since he was not a party; nor did he agree that it be treated as a test case so that he would be bound by the decision. Nevertheless, the facts estab-lished in Robertsons were not

matters personal to the parties 34 (that the system had an in that case; they were matters effect equivalent to quantitative of public record relating to the

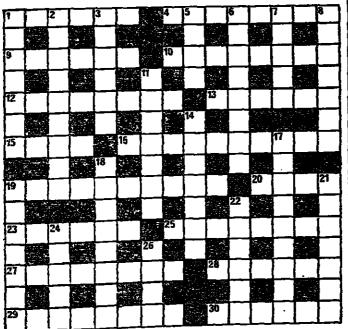
restrictions on exports), he activities of the board.

found that the board's opera
In those circumstances it was

#### FT UNIT TRUST INFORMATION SERVICE



F.T. CROSSWORD PUZZLE No. 6,004



ACROSS

- 1 Network production featuring Shakespearean fairy (6) 4 Writer able to handle jam?
- 9 Joined forces to find every-
- thing that is decent at first 10 Advertisement about becom-12 Plant bringing out skin exing degenerate (8)
- crescences on society girl's 13 Drawing-paper (6)
- novice at the embassy (10) 19 Gasteroped found creeping 21 Fieldwork carried out up to in woods (10) 21 Fieldwork carried out up to years of maturity? (7)

- four years (%)
  23 Composer forming part of
  chain in Georgia (%)
  29 Where to set in by use of
  - 30 Sold to prevent dealings in woollen tioth the DOWN
  - 1 In France, it's fear to bring a doctor into the room (7)
  - 2 One was intimidates animal-3 Races perhaps where model is in with a fifty-fifty chance (6)

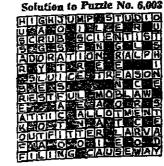
- 5 Was he last man to bring up lion? (4) 6 Bird that in certain cases
- may be a harbinger of death 7 Public given to holding clergyman up (5)
- 8 Desire to know about cook's domain (7)
  11 Scoffing at fencing (7)
  12 Quite understand lies are out
- of order (7)

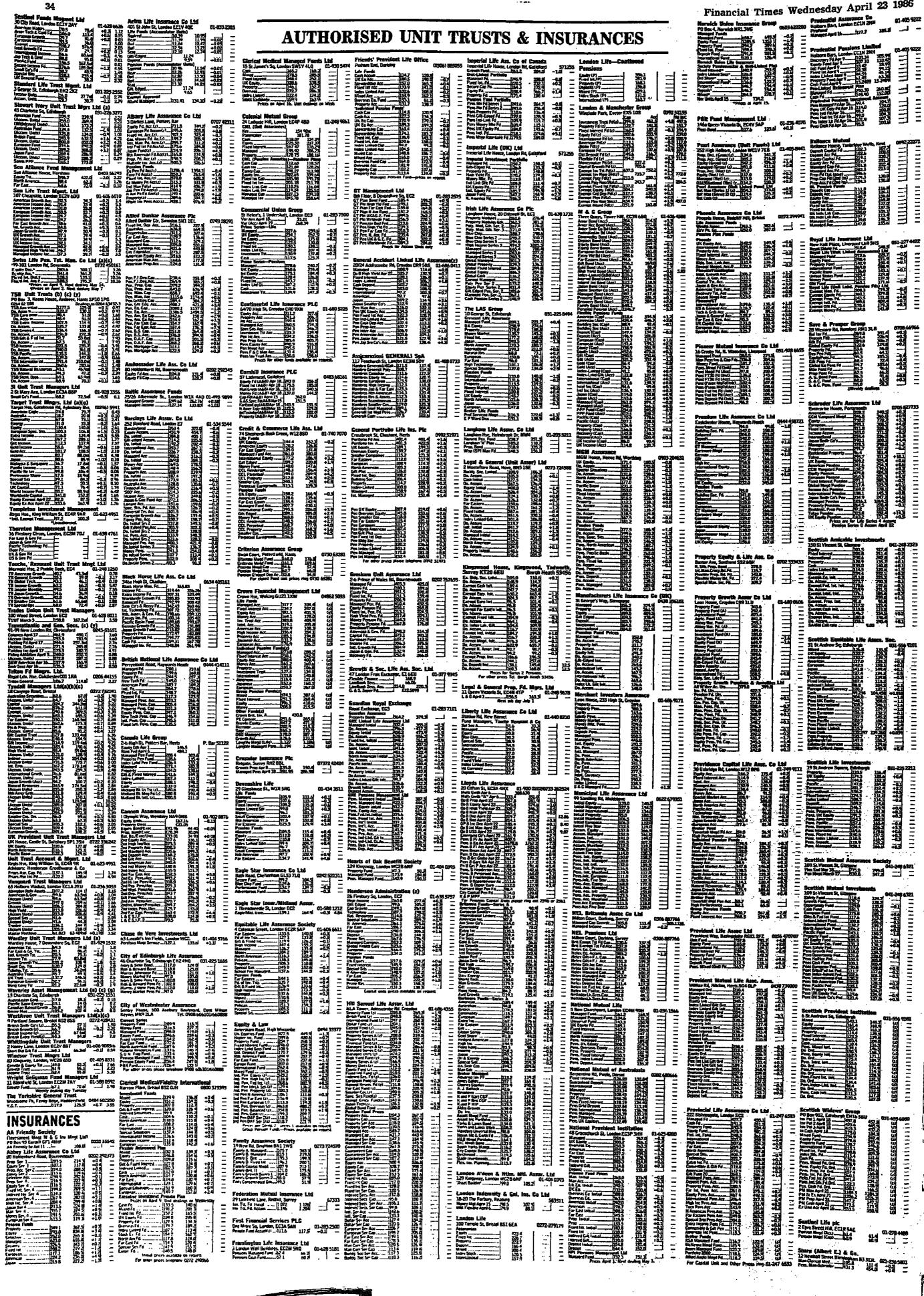
  17 Child frustrating dean at church by being a hindrance
- 13 Scrape fish by the sound of 18 Way to get round very small 13 Scrape fish by the social vegetable-flower (5-3) it (4)

  16 Charge brought against a 19 Form design for work in provice at the embassy (10) ordinary language (7)
- contrary to the provisions of in woods (10)

  20 Hints on turning over a 22 Anger at companion's odd role (6)

  23 Units hoonable crowd at the 24 Rendezvous in some sultry the Treaty. Neither the common facts. nor the inferences that might properly be drawn from them established that any of the board's activities were contrary
- start (6)
  25 Shop involved in deal over 26 Mineral used in crystal chandeliers (4)
  27 Orders do imply a period of four years (5) to any of the provisions of the Treaty.
  Accordingly, there was no arguable defence under article

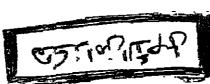




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· (20)

The reported 16.3m barrels per day fell well within the

most modest expectations

amongst traders, although crude futures approached the close on its highs on technical tovering after a lacklustre

close on its highs on technical covering after a lacklustre session. The news confirmed the reticence of the precious metals, which closed weaker on disappointed liquidation, although weak dollar values appeared to provide some hackground support. Copper closed lower in line with weaker LME prices on disappointment at LME stock drawdowns. Coffee closed narrowly mixed around unchanged, as a non-committal stand in view of forthcoming official IBC erop estimates saw the leading participants cautiously sidelined. Cocoa advanced following a maintenance of technical strength in London coupled with light computer fund buying. Sugar closed stronger, reflecting commission house opinion that the recent corrections

that the recent corrections were enough, and inspired by

CHICAGO

LIVE CATTLE 40,000 lbs. Cents/lbs

**NEW YORK** 

Close High
April 55.50 —
May 56.36 55.80 —
May 56.36 55.80 June 95.55 56.05
Sept 95.60 55.80 Dec 95.90 Jen 95.00 56.00 May 56.40 —
July 56.60 —
COCOA 10 terrines, \$fun.

COFFEE "C" 37,500 lb, cents/lb

GOLD 100 troy oz, \$/troy oz

HEATING OIL 42,000 US gallons, cents/US gallons

CRUDE OIL-FOR (# per barrel)-May

Arab Light
Arab Heavy

Bubel

Brent Bland

W.T.L (1pm est)

Forcedos (Nigeria)

Urals (oif NWE)

CATHODES

SUGAR

### Budget warning to Farm Ministers LONDON MARKETS

BY QUENTIN PEEL IN LUXEMBOURG

warned yesterday that they due to meet next week.
cannot afford to make any Mr Ignaz Kiechle, the further concessions to their farmers on prices for the coming year, because their budget is already hugely over-

Brussels, said the latest calculation for excess spending on top of this year's Ecu 21bn (£13.4bn) budget was Ecu 1.45bn (£928m)—without tak-ing into account any changes in the rates of green currencies following the latest realign-

the Commission's proposals for

EEC FARM Ministers were Finance Minister colleagues,

Mr Ignaz Kiechle, the West German Farm Minister, who last year vetoed a price cut for cereals, is fighting the Commission's system for a "hidden sion's system for a "hidden price cut" in the form of a planned co-responsibility levy on grain farmers. At the other end of the spectrum. Britain's Mr Michael Jopling believes there should be an outright price cut instead of the levy.

A high-level group of officials was last night set to work on ment.
the problem of the levy, in an ment of the European Monetary
System.

That calculation assumes that

Kiechle is determined it should only apply to cereals sold in the market, whereas Mr Jopling a general price freeze on major the market, whereas Mr Jopling products, some price cuts for wants it to include all cereals fruit and vegetables, and other savings, are accepted by the tion effectively contributes to

lated into Agriculture Minister, year and Ecu 600m in 1987, demanded price increases for he said. dairy farmers to compensate for the further cuts in production quotas they are likely to face.

The farm price fixing is already locked into a familiar pathis national interests staunchly. and the likelihood of all being granted some budgetary conces-

Mr Gerrit Braks, the Dutch chairman of the Council, has nonetheless tabled a series of compromises which will cost no more than the Commission -and actually cost less in

There seemed little prospect yesterday, however, of an agreement amongst the 12 Farm Ministers on the annual farm price package without further concessions being built in, That would set the Ministers of the Mi price package without further posed price cuts for tomatoes, the cost of offloading some of concessions being built in, whereas grain farmers would the surplus cereals, butter and the loggerheads with their the levy to pay.

Ecu 1.1bn; and the recent re-

From the French side, Mr alignment of the European Francois Guillaume, the former Monetary System, which will farmers' union leader now trans. add a further Ecu 380m this

> The Commission proposes to cover most of the destocking costs with savings in other areas, including the cereals levy, and reduced payments to the member states for the costs of storage, and for retients interest payments. The extra still required after the savings—which are

anyway disputed by many the Farm Ministers—would be Ecu 1.45bn instead of the Ecu 790m originally estimated by Mr Andriessen in January.

The cost of realignment of the EMS does not even include any devaluation of the "green" any devaluation of the "green" currencies of the member states, which should follow such a move. France could normally expect such a devaluation of some six per cent—the amount of French franceffectively devalued against the Deutschemark — which would add an extra Ecu 37m for every

### Doing the green currency shuffle

shuffles and the needs of farm price negotiators.

Although such a notion may appear bizarre in the UK, on the Continent there are several countries where the farm sec-tor is a key exporter whose interests figure importantly in the pre-occupations of not only Farm Ministers, but also Fin-ance Ministers. Thus, taking the EMS reshuffle that occurred on April 6, there was not a particular need for a reshuffle at that moment, although Mr Jacques Chirac had signalled the need for a French devaluation of the need for a French devaluation. tion on macro-economic grounds, in any case, as part of the economic programme of his incoming government. But there was other EEC net agricultural exreshuffle was the only way a significant rise in farm support prices, in national currencies, was to be obtained.

The connection between an EMS reshuffle and higher EEC farm support prices arises be-cause of the rules adopted in 1984 for getting rid of the agri-cultural border adjustments to offset currency fluctuations—the tory amounts, or mea's. Under the 1984 agreement, new posi-

**Argentina** 

to eliminate

the Argentine Federation of

Agrarian Co-operatives.

The elimination of the export

tax was one of the main demands of farmers who held a

24-hour national strike on Mon-day. The Government previously

said that the taxes would be reduced to 15 per cent for the 1986-87 barvest.

• THE PHILIPPINES is to ban

log exports to encourage the development of a local wood

\$1bn over the last five years. • THE DANISH Government is

considering banning the use of

cottonseed meal in animal feed

to prevent the entry of the cottonseed fungus aflatoxin, which it is thought may cause

• PARIS'S new cocoa butter

futures market, the world's first

for this commodity, got off to a "brisk" start when trading

began yesterday, according to

Mr Lucien Renier, chairman of

the Paris Commodity Brokers

Association. The new market trades alongside the existing cocoa bean futures market.

O QUALITY TEA was quoted

at 198p a kilo (nominal) at Monday's weekly London auction, 2p up from last week's

sale. But Medium grade tea was

unchanged at 152p a kilo and

low medium was 4p down at

108p a kilo.
The Tea Brokers' Associa-

tion's official report described

8,800 in the offshore section.

cereals tax

ONCE AGAIN a reshuffle of the currencies in the European Monetary System (EMS) has come to the rescue of the annual Community fixing of farm support prices. It has also shown, yet again, the strong link between the timing of EMS reshuffles and the needs of farm support prices and the needs of farm support prices. This corrective takes the should be abolished.

This corrective takes the system (EMS) has avoiding the creation of fresh by revaluing "green" rates include a maximum of 7.8 per leading to a drop in farm support prices in national currences. Hence the West German reluctance in the past to agree that its positive mea's should be abolished.

This corrective takes the This year, the EMS reshuffle MCA's, in terms of ratchetting-

ean Cur rective	rency U	nit).		be al	olisi	ned.		
	OPE FO					5		•
			U	to Ap	ril 6		N	

		Up to April 6	No
		%	No %
	MCAs:		
West	Germany	8	1
Neth	erlands *	0	i
Franc	e — dairy, pigs, wine	ō	+6.
	- all others	+1.4	+7.1
Belgi	ann	8	+2
Denn		Ō	+2
Irelar	d	ō	+3
	ble MCAs (can vary weekly):	-	
Italy	or course (all they declay,)	+5.5*	+81
UK		+9.7°	+11.3
Gree		+39.2*	+43.
_		arir Eurlmann estes en	An-71 74

amount by which the DM has has allowed Farm Ministers to been revalued and, instead of take a more sanguine view of applying this as a new West the Commission's price propos-German positive mea, redistributes its impact to all the other cut in CAP prices of 0.1 per countries as increased negative cent in Ecu terms. The Commissions of the commission of the countries are increased negative. mca's. In turn, the significance sion, in its proposals, allowed of negative mea's for Farm France, Italy and Greece to de-Ministers is that they are also walue their "green" rates, but meant to be eliminated, but this apart from Greece, the scope for time by devaluing the national large price rises due to this apprint tural conversion rates factor was limited. The opening agricultural conversion rates factor was limited. The overall ("green" rate) used for converting common CAP support posals for the average change prices, set in Ecus, into national in CAP prices, in national cur-

up farm prices in countries with weaker currencies, is amply demonstrated. The Commission strategy for stabilising CAP prices in nominal terms, and hence cutting them in real terms, is undermined and the wrong price signals continue to be given to farmers. But in terms of this year's

price fixing, the EMS reshuffle has made it much easier for Farm Ministers to accept the Commission's proposals on Ecu prices. That is, all apart from West Germany and the Netherlands where the certain of delands, where the option of de-valuing "green" rates is not open. Given the Community's budget difficulties, it is unlikely West Germany will be able to persuade Farm Ministers to raise prices in Ecu terms. It is already offering its farmers help through widespread national

aids.

The UK case is interesting as on the one hand, there is the Government's concern to be seen to be cutting farm sur-pluses, while on the other hand there is the scope for a "green" pound devaluation. It would seem quite possible that the Government might go along with a small devaluation (nowhere near the full margin the 1984 agreement, new positive mea's (applied by countries such as West Germany and the Netherlands, with appreciating currencies) are not to be created. The mechanism for the Eus, into national of deresting the currencies. The result of deresting the formula of shown) if it loses out in other

### Indian tobacco earnings slide

BY P. C. MAHANTI IN CALCUTTA

ARGENTINA will gradually eliminate taxes on its cereals exports, President Raul Alfonsin announced yesterday, but he sin announced yesterday, but he did not say how long the process would take, reports Reuter from Buenos Aires.

"That is one of the main objectives of the agricultural tax reform" sent to Congress, he told the annual meeting of the Argentine Federation of

A SHARP fall in tobacco exports is threatening widespread economic distress in the Indian growing belt, spread over the down from 75,000 in 1984-85 value despite an effort to sell more tobacco in value-added products such as cherootts and cigars. The Government blames politically sensitive southern and 80,000 tonnes the year be-states of Andhra Pradesh and fore.

flue cured virginis—which exports totalling a record accounts for around 85 per cent 110,400 tonnes.

cigars. The Government blames the fall on propaganda against tates of Andhra Pradesh and fore.

Carnataka.

As recently as 1982-83 India organised tobacco growers' in earned wire curred virginia—which exports to the country refute exports for around 85 per cent. 110.400 toppes. accounts for around 85 per cent of India's tobacco exports—in the first half of the 1985-86 season at only 43,000 tones, worth Rs 960m (£51m), down from 51,000 tonnes in the correspond-

#### Australia's harvest hopes hit by dry weather

BY PATRICIA NEWBY IN MELBOURNE

AUSTRALIA'S 1986-87 wheat crop is expected to be lower than the harvest just completed because of unusually dry weather over the eastern states wheat belt.

pendent on late autumn and winter rain. The BAE predicts an overall national yield of 1.3 tonnes a hectares compared with 1.4 tonnes a hectare in 1985-86.

development of a local wood processing industry, according to Mr Ernesto Maceda, the Natural Resources Minister. He said the "total and permanent ban," which would take effect from August 21, was also aimed at curbing log smuggling to Japan, South Korea and Taiwan, estimated to have amounted to 5thn over the last five years. The Bureau of Agricultural Economics (BAE), in its latest crop report, predicts production at 15.3m tonnes compared with 16.3m tonnes in 1985-86.

The dry conditions have inhibited planting of next season's crop in some parts and the PAE estimates the area. the BAE estimates the area sown to wheat will decline by about 200,000 hectares on last year to 11.75m hectares.

The BAE notes the build-up and movement of warm ocean currents which has coincided with drought in eastern
Australia and slightly wetter
than average conditions in
western Australia. The same
effect was apparent during the
severe 1982-83 drought.

The BAE and the Bureau of Meteorology say the prob-ability of below average winter Because of low soil moisture, ability of below average winter some areas will be very de- and spring rains has increased.

#### **WEEKLY METALS**

All prices as supplied by Metal Bulletin. ANTIMONY: European free market, 99.6 per cent, \$ per tonne, in warehouse, 2,750-2,800. BISMUTH: European free market, min 99.99 per cent, \$ per lb, tonne lots in warehouse,

per lb, in warehouse, ingots, 1.05-1.10, sticks, 1.07-1.12. COBALT: European free demand at the auction as "good." Assams were generally strong with selected lines illy strong with selected lines market, 99.5 per cent. \$ per 1b, in warehouse, 8.90-9.40.

There were 35,845 packages MERCURY: European free

on offer at the sale, including market, min 99.99 per cent, \$

MOLYBDENUM: European free market, drummed molybdic oxide, \$ per lb Mo, in ware-house, 2.58-2.63.

SELENIUM: European free market, min 99.5 per cent, \$ per lb, in warehouse, 5.75-6.25. TUNGSTEN ORE: European

CADMIUM: European free free market, standard min 65 market, min 99.95 per cent. 8 per cent. \$ per tonne unit WO. per cent, \$ per tonne unit WOs, cif. 47-55 VANADIUM: European free

market, min 98 per cent V.O. other sources. S per 1b V.O. URANIUM: Nuexco exchange per flask, in warehouse, 220-235. value, \$ per lb U.O., 17.25.

#### Nigerian crop boards to be scrapped

THE NIGERIAN Cabinet Office has announced that all the country's commodity boards will be phased out by December, to allow "a freer marketing system whereby farmers would be involved in direct marketing of their products while the role of their products while the role of the Government would be merely regulatory, reports Reuter from Lagos. The boards will stop trading by June 30, it added.

Nigeria's commodity boards covering cocoa and coffee, groundnuts, cotton, rubber grains and root crops, have been running at heavy losses since they were set up more than 10 years ago.

The new system will allow individuals, processors co-operatives and companies to buy and sell produce at home and abroad, subject to compliance with Government regulations. The Cabinet Office said the action was a major step in the Government's policy of property. Government's policy of promoting free enterprise and reduc-ing its involvement in economic

activities.

From now on, it said, state governments and the Price Intelligence Agency, which help fix guaranteed minimum prices for all agricultural commodities. would only be buyers of the would only be buyers or the last resort to ensure that crops were not sold below set prices.

The Agriculture Minister, Mr Alani Akintinade, said a national agricultural insurance scheme was in the final stages

of preparation and would begin

operating in December.

### SILVER

SILVER Buillon + or LM.E. + or per troy oz Price Unoffic'i LME\_Turnover: 32 (8) lats of

### Thai offshore tin

THAILAND'S first known victims of the international tin crisis have emerged with the announcement that Aokham Thai Company and Tungkah Company are suspending offshore tin production in southern Thalland, writes Boon-song K Thana in Bangkok. About 300 workers are being

#### US MARKETS INDICES THE OPEC confirmation of a majority accord on an output REUTERS

Apr. 88 April 1 M'th ago Year ago 1789.3 1795.0 1829.6 1901.9

MAIN PRICE CHANGES In tonnes unless otherwise stated.

renewed concern about the possibility of a strike disrupting the US aluminium industry. Cash aluminium has now gained £48.25 in four trading days, almost exactlyrecouping the fall of the previous five days, which some analysts had suggested was overdone in view of the continuing decline in western world stock levels. The LME 181515/636 + 30 | \$1685/656 #2 £998 £962.5 —3 £1018.5 £345.5 +3,25,3347.57 £241.6 £251.0 £249.25 —0.5 £257.76 tinung decime in western world stock levels. The LME nickel price ended the day £15 higher at £2,625 a toune, but the three months position finished unchanged at £2,677.50 a toune having applier slipped to 2 \$2,4200. earlier slipped to a 31-year low. The afternoon recovery was attributed to the down-LME price supplied by Amalgamated Metal Trading.

Official closing (am): Cash 787-5 766.5-7.5): three months 780-5 (770-5): settlement 787.5 (767-5). Final Carb close: 792-3, Turnovar: 43,800

796.5-8.5 +21.0 |787/785 | 791-1.5 | +25,76;793/792

THE SHARP upturn in London Metal Exchange aluminium prices which began

towards the end of last week accelerated yesterday with the cash price gaining another £21

to £796 a tonne. Dealers said

the firm tone reflected nearby supply tightness, a reversal of bearish chart patterns and renewed concern about the

COPPER

turn in sterling.

ALUMINIUM

Unoffic'i| +or | close , -- | High/low

Official closing (am): Cash 938-40 (949.5-50); three months 957.5-8 (969-70): settlement 940 (950). Final Kerb close: 961-1.5. **LEAD** 

ZINÇ Unofficial + or close(p.m.) — High flow £ per tonne Official closing (am): Cash 430-.5 (440-1): three months 441.5-2 (451-.5): settlement 430.5 (441). Final Kerb close: 441-1.5. Turnover: 11,150 tonnes. US Prims Western: 33.00-33.75 cents per gound.

GOLD

Gold rose \$3% an ounce from Monday's close in the London bullion market yesterday to finish at \$345%, \$345%. The mast opened at \$345%, \$345%. The state opened at \$345%, \$345% and traded between a high of \$345%, \$345% and a low of \$342%, \$343%. Tredling was and a low of \$342%, \$343%. Tredling was and a low of \$342%, \$345%. Tredling with little follow through buying after breaching \$345% despite the dolar's continued weakness.

GOLD BULLION (fine outgoe) April 22 Close ...... \$5451<sub>6</sub> .5453<sub>6</sub> (£2273<sub>6</sub>.2281<sub>4</sub>) Opening.. \$543.3431<sub>6</sub> (£2261<sub>6</sub>.226) Mrilly 1b., \$544.15 (£226.746) Att'n'n 7b. \$544.10 (£226.064) GOLD AND PLATINUM COINS Krg'rnd. \$545u. \$453u. (£228 2£514)
1c Krug. \$182.1831u. (£120u. 121)
1d Krug. \$182.1831u. (£120u. 121)
1d Krug. \$371a.281u. (£244u.251a)
1/10 Krug. \$371a.281u. (£244u.254la)
Mapieleat \$2541s.3554u. (£234u.251a)
1/10 Angel \$1543.3554u. (£234u.251a)
1/10 Angel \$1543.251u. (£23.961a)
1/10 Angel \$1545.251u. (£23.961a)
1/10 Angel \$1545.451u. (£23.961a)
1/10 Angel \$1545.475 (£28.54)
1/10 Sov. \$188.891u. (£23.963a)
1/10 Sov. \$188.891u. (£28.95a)
1/10 Sov. \$188.801u. (£28.95a)
1/10 Sov. \$188.80

Silver was fixed 4.4p an ounce lower for apor delivery in the London bullion market yeaterday at 338.7p. US cent equivalents of the fixing levels were: apor 512.5c, down 3.6c; three-month 520.5c, down 3.5c; six-month 528.1c, down 3.8c; and 12-month 544.5c, down 4.25c. The metal opened at 339-338-p (512-514c) and closed at 339-338-p (512-514c).

10.000 nz.

Three months high 346p, low 342p.

final kerb 342-3p.

RUBBER

PH 517ALS — The London market opened slightly easier, attracted little interest throughout the day and close/3 idle, reports Lawie and Pest. Closing prices (buyers): Spot 56.50p (57.50p); May 54.50p (65.50p); Juns 54.50p (55.50p). The Kuela Lumpur fot price (Malaysian cants) per kg: RSS No 3 was 183.0 (185.0) and for SMR 20 180.0 (182.0).

production suspended

celling for the third quarter did little to inspire energy futures or precious metals, reports Heinold Commodities.

DOW JONES Dore April April Month Year Jones 16 15 ago ago Spot 128.66 129.00 - 120.34 Fut. 124.18 185.09 - 123.11

† Unquoted. † Per 75 ib flask. c Cents pound. v May. y April-May. w June. May-June. z July. \* Cotton outlook.

rdays + or Ydays + or close -

MEAT COMMISSION Average fat-Stock prices at tepresentative merkets GB—Cattle 97.75p per kg lw (-1.06). GB—Sheep 264.87p per kg est dcw (+0.19). . GB—Pigs 77.76p per kg lw (+0.82).

1456-1458 + 18.5 1495-1456 April 1443-1444 + 24.0 1456-1455 May

Seles: 5.053 (2.784) lots of 10 tonnes. ICCO indicator prices (US cents per pound). Daily price for April 21: 94.38 (93.54); five-day average for April 22: 92.37 (91.25).

A weak dollar and a large number of deliveries against New York contract kept the market under pressure in the morning, reports Drexel Burnham Lembert. In the afternoon trade selling continued but the market closed with a rally as commission house short covering caused a sharp upourge in New York atthough there was no change in the fundamental picture.

COFFEE Yesterday + or Business Done

Sales: 5,289 (3,411) lots of 5 tonnes, ICO Indicator prices (US cents per pound) for April 21: Comp. daily 1979 190.41 (190.80): 15-dey average 190.36 (191.29). SOYABEAN MEAL

Commercial selling kept prices under pressure for most of the day. Consumes buying stemmed the decline, reports Muirpace.

CitosDer tonne
127.9-127.5 | -0.80126.2 | -127.9-127.5 | -0.80126.2 | -127.9-127.5 | -0.80126.3 | -127.9-127.5 | -0.80126.4 | -127.9-127.5 | -0.80126.4 | -127.9-127.5 | -0.80126.4 | -127.9-127.5 | -0.80126.4 | -127.9-127.5 | -0.80126.4 | -127.9-127.5 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4 | -1.80126.4

GRAINS

CRAINS

LONDON GRAINS—Whest: US dark northern spring No 1 15 per cent May 122.50. June 117.50 transshipment east cost. US No 2 soft red winter July 88.50. EEC April 138.75. English feed fob April 120.75-121.00. May 121.75-122.00. June 122.75-123.00. Aug/Sept 122.50-123.50. Sept 120.75-103.00. Oct 105.00-105.50. Oct/Osc 107.50. Jun/Wirch 112.50-133.00 buyers/sellers. April/June 117.50 seller east coast. Maize: US No 3 yellow/French transshipment east coast. April 143.75. Sarley: English lead fob April 118.75 Scotland, April 117.75 England sellers. 118.00 buyer, May 118.00 buyer, June 119.00-120.00 buyer/seller. MGCA—Locational ex-ferm spot prices. Feed barley: S. East 112.00, S. West 112.60. W. Mids 112.00, N. West 112.60. The UK monetary coefficient for the week beginning Monday April 28 will be 1.107. Old crop wheat remained in a narrow range finding short-covering against long liquidation on Msy. while May barley steadled on storakesper support. New crops were steady, closing on the highs, reports T. G. Roddick.

WHEAT

-0.05 112.55 +0.55 +0.16 99.80 +0.85 +0.45 99.80 +0.85 +0.80 105.20 +0.80 +0.80 106.25 +0.40 +0.80 106.90 +0.80 Business done—Whest: May, 118.00-7.75, July 119.40-9.10, Sept 101.70-1.30, Nov 104.70-4.36, Jan 107.75-7.50, March 110.50-10.20. Seles: 460 lots of 100 tennes. Barley: May 112.55-2.00, Sept 99.80-8.00, Nov 103.00-2.80, Jan 108.28-6.10, March untraded. Sales: 156 lots of 100 tonnes. Close High Low Prev Aug 152.2 152.2 157.4 152.3 344.0 344.0 -- 345.0 Oct 148.9 147.5 148.1 147. 346.7 346.7 346.0 Oct 148.9 147.5 146.1 147. 346.7 346.0 345.2 346.7 Dec 147.2 148.0 148.5 147. 346.3 348.3 348.5 344.4 349.8 Jan 148.5 148.5 149.5 149.5 356.0 356.5 357.1 356.0 356.0 356.0 359.5 360.5 369.5 356.0 359.5 36

Low Prev 275.4 283.4 261.8 244.4 244.0 253.2 251.0 253.2 251.0 253.0 244.6 248.0 **POTATOES** LONDON DAILY PRICE—Rew sugar \$197.00 (£128.50), up 50c (down 50p) a tonne for April-May delivery. White sugar \$220.50, up \$5.00. Nearby May traded gradually lower through the day and closed on the lows. New crops opened very atrong but profit-taking later party eroded the gains, reports Coley and Harper. close close Business

£ per tonne 157.50 164.70 762.50-157.60 112.50 105.50 117.08-109.90 115.50 122.93-117.08 105.50 152.03-117.08 164.50 164.50 160.00 170.80-765.00 # per tonne F.C.B. May 175.4 180.5-181.6 182.0-175.4 Aug 182.8 182.8 185.4 185.4 190.5-181.9 182.0-181.8 182.8 181.8 180. Sales: 1,429 (1,410) lots of 40 Tennes,

Earlies—July 117.00, +1.00, 117.00

-5.00; Aug 90.00, +2.50; Sept 80.00,

-5.00. Sales: 16 lots of 10 tonnes. Sties: 2.450 (2.187) lots of 50 tonnes. Tate & Lyle delivery price for granu-ated basis sugar was £236.00 (£236.50) tonne for export.

GAS OIL FUTURES

International Sugar Agreement—(US cents per pound tob and stowed Carlbbean ports.) Prices for April 21: Delly price 8.02 (8.27): 15-day average 8.42 (8.46). \$ US OF TORRE PARIS—(FFr per tonne): Aug 1520/ 1525. Oct 1534/1540, Dec 1545/1985, Mar 1685/1600, May 1815/1640, Aug 1680/1680 -0.25 141.60.57.60 +2.25 125.68.24.50 +0.25 124.50 21.50 +1.00 125.56 25.25 +1.00 124.50 25.25 +0.75 128.68.25.80 -0.50 126.00 126.50 in the 15-day market May Brant firmed on early news from Opec of its decision to impose a third quarter quots at 16.3m barrels a day. Nymex WIT also reacted bullishly on the last day of May trade with talk opening 18c up and trading within a 25c range through the morning. In the patroleum products market prices were little changed in thin trade—Patroleum Argus, London. Ternover: 3:063 (1,436) lots of 100

FREIGHT FUTURES

Ory cargo rates remained under prequert against a quiet physical mar-tet. Tenker futures steaded in quiet conditions on a slightly firmer physical market, raports Clarkson-Wolff. Turmover: 246, Turmover: 35. | Close | High/Low | Prev. Latest + or -April 675,683 679,675 July 645,650 680,642 Oct. 735,737 783,734 Jan. 740,745 783,734 April 809,7818 825,688 July 725,730 740,725 Jan. 75,680 885 SPI. 680.5 Turnover: 37 (44).

| Glose | High/Low | Prev.

JUTE Official closing (am): Cash 939.5-40 (945-6): three months 948-9 (960.2): settement 940 (846). Turnover: 61.075 tomes. US Producer prices 65.50-72.0 conts per pound.

HUTE — April/May 1886 c and f Dundee STC \$435, BWC \$440, STD \$375, BWD \$375; c and f Anoxen ETC \$415, BWC \$420, BWD \$385, BTD \$385.

#### CURRENCIES, MONEY and CAPITAL MARKETS

The dollar fell to DM 2.1890 at the close down from DM 2.2115 on Monday but up from an earlier fixing level of DM 2.1853. JAPANESE YEN — Trading range against the dellar in 1986 is 202.7 to 169.85. March average 178.65. Exchange rate index 200.6 against 169.0 six months ago.

200.6 against 169.0 six months ago.

The yen continued to improve in Tokyo yesterday despite further dollar buying by the Bank of Japan. The dollar touched a record low of Y168.60 during the morning but this attracted profit-taking and it inished a little off the bottom at Y169.35, still down from Y170.85 in New York and Y171.90 in Tokyo on Monday. Remarks by President Reagan describing the yen's appreciation as legitimate tended to depress the dollar. Elsewhere the D-mark fell to Y77.67 from Y78.35.

**CURRENCY RATES** 

0.771079 612 1.16564 9.93 1.61464 4 18.0569 814 52.5558 73 12.2.67069 414 2.90011 912 8.18969 14 1764.05 313 200.374 8 6.18046 163.476 8 9.88882 4 NIA 2012 162.770

OTHER CURRENCIES

#### FOREIGN EXCHANGES

### Dollar continues to ease

The dollar continued to lose ground yesterday but finished some way above the day's lows. There was some reaction to the sharp pace of the dollar's decline with profit-taking helping the US unit salvage something from a sharp drop overnight in the Far East. The decline had been triggered by comments made by President Reagan, claiming that the yen's appreciation had been legitimate. There was also increased speculation that the US Fed was likely to cut its discount rate again to help a sagging economy.

However, the pace of the dollar's decline eventually had an unsettling influence and although sentiment remained bearisb, there was little desire to prompt central banks into acting to curb a disorderly marist. Economic figures released yesterday included US March durable goods orders and these showed a fall of 2.5 per cent compared with a revised fall of 0.6 per cent in February and well below market expectations of a 0.4 per cent rise.

The dollar fell to a record

market expectations of a 0.4 per cent rise.

The dollar fell to a record close of Y169.05 from Y172.05, having twoched a trading low of Y169.10. Against the D-mark it fell to a five-year low of DM 2.1985 from DM 2.2080 and a four-year low against the Swiss franc at SFr 1.8425 compared with SFr 1.8490 on Monday. Elsewhere, it eased to FFr 7.0130 from FFr 7.0425; On Bank of England figures, the dollar's

£ IN NEW YORK April 22 | Prev. close E Spot | \$1,5180-1,5146 \$ 1,5180-1,5170 |
1 month | 0,54-0,51pm | 0,50-0,48pm |
5 months | 1,27-1,22pm | 1,28-1,25pm |
12 months | 3,76-3,68pm | 8,83-8,73pm |

exchange rate index fell from 115.4 to 114.8.

STERLING—Trading range against the dollar in 1986 is 1.5245 against 1.3770. March average 1.4681. Exchange rate index 75.4 against 75.5 at the opening and Monday's close. The six months ago figure was 81.9.

Sterling desched the Jon below Sterling finished the day below its best level. Its close against the dollar was over a cent down from the day's high at \$1.5140 still slightly up from Monday's close of \$1.5115 but not enough to prevent an overall loss against its major European trading partners. Against the Domark it cased to DM 3.3275 from DM 3.3375 and FFr 10.6175 from FFr 10.6450. It was also weaker against the Swiss franc at SFr 2.79 from SFr 2.7950 and Y257.25 compared with Y260.0.

D. MARK — Trading range.

D-MARK — Trading range against the dollar in 1986 is 2.4710 to 2.1985. March average 2.2677. Exchange rate index 135.8 against 128.0 six menths

### **CURRENCY MOVEMENTS** POUND SPOT-FORWARD AGAINST POUND Spread Close One month 1.5100-1.5285 1.5135-1.5145 0.55-0.52c pm 2.1000-2.1140 2.1000-2.1040 0.25-0.16c pm 3.75-3.78\(\frac{1}{2}\) 3.75\(\frac{1}{2}\) 3.75\(\frac{1}{2}\) 3.75\(\frac{1}{2}\) 3.75\(\frac{1}{2}\) 2.74c pm 67.94-68.70 68.00-68.70 18-12c pm 1.0840-1.1010 1.0855-1.0895 0.18-0.25c dis 3.32'\(\frac{3}{2}\) 32'\(\frac{3}{2}\) 208-219 208-221 208-219 208-006 dis 2.273\(\frac{3}{2}\) 208-228'\(\frac{2}{2}\) 228'\(\frac{2}\) 228'\(\frac{2}{2}\) 226 co dis 2.73'\(\frac{2}{2}\) 10.63'\(\frac{3}{2}\) 10.53'\(\frac{1}{2}\) 10.52'\(\frac{3}{2}\) 2.76'\(\frac{2}{2}\) 2.76'\(\frac{2}{2}\) 2.76'\(\frac{2}{2}\) 2.78'\(\frac{2}{2}\) 2.78'\(\frac{2}{2}\) 2.78'\(\frac{2}{2}\) 2.78'\(\frac{2}{2}\) 2.78'\(\frac{2}{2}\) 2.78'\(\frac{2}{2}\) 2.78'\(\frac{2}{2}\) 2.22c pm. 12-month forward dollar 2.25-2.23c pm. 12-month p.s. months 4.24 1.29-1.26pm 1.20 0.42-0.26pm 5.98 41-4-pm 2.06 40-32pm 3.00 9-74-pm -1.91 0.20-0.50dis 6.31 47-4-pm -15.70 430-1145-dis -2.03 71-9-dis -2.03 71-9-dis -2.03 77-9-dis -2.03 77-9-dis -2.03 307-257-pm 6.38 307-257-pm 6.38 307-257-pm 6.39 42-7-pm clei fines 67.96-68.05.month 3.80-3.65 2 pm

DOLLAR SPOT-FORWARD AGAINST DOLLAR

			<u> </u>	: :	1.4"
April 22	Day's spread	Close	One month	% ∵ p.a.	Three % months p.s
UKt .	7.5100-1.5245		0.55-0.52c pm	- 4.24	1,29-1,24pm 3.3
Ireland†	1-3753-1,3898	1_3770-1_3780	0.85-0.55c am	8.15	7.60-1,30pm 4.1
Canada	1.3833-1.3900	1.3890-1.3900	0.38-0,39c dis.		0 92-0 97dla -2.7
Nethind.	2,4580-2,4885	2.4845-2.4955	0.35-0.33c pm		0:93-0.90pm 1.4
Beiglum	44.60-45.00	44.90-45.00	5-7c dis		12-18dis 1.2
Denmark,	8.053-8.14%	8.123-8.134			1-17-dia -0.6
W. Ger.	2.1780-2.2035	2.1580-2.1580	0.44-0.39of pm		1.23-1,18pm 2.2
Portugal	145-, 147	.1462-147		-19.32	410-E70dis -17.5
Spain	138,55-140,00	139,70-140,00			180-210dis -5.5
italy	1494-1510	. 1506-1507	6-75 lire dis	-6.40	20-22dia -5.6
Norway	6.98%-7.00%	7.00-7.00%			113-113-dis -6.8
France	6.95 - 7.02	7.01-7.015			1.10-1.40dis -0.7
Swaden	7.06-7.10-	7.05%-7.10%		-4.88	6'-6'-dis -3.1
Japan	169.10-170.40		0.35-0.32y pm		0.90-0.86pm 2.0
Austria	15.29-15.38	15.36 15.36	3-23-oro pm	2.10	74-54pgs 1.6
Switz.	1.8260-1.8465	1.8420-1.8430	0.43-0.38cm.	2.46	1.17-1.12cm 2.60
† UK	and Ireland	ere quoted in	US currency. Fo	niverd .	gramiums and
ditc	cours abold to	the US dollar	r-and not to the	Individ	iual Currency.
Be	dgian rate is	for conventible	trance. Financial	tranc	44.90-44.95.

EXCHANGE CROSS RATES 25 44 44

Apr. 22	. ₽		DM	YEN	Ffr.	SFC.	H.Ft.	J. Fa. J	CA	∌ Ft
£ 8	0.661	1,514 1,	. 5.328		10.82	2.790	3.763	2281	2:102	68.0
DM YEN	0,301 3,867	0.485 5.885	12.93	77.31 1000,	3.191 41.27	0.838 20.85	1,131 14,63	885,5 8867.	0.632 8,171	20,4 264,
F Fr. S Fr.	0,942 0,356	1.426 0.543	3.154 1.195	242.3 92.20	10. 5.806	2.628 1,	3,544 1,340	2148. 817.6	1.980 0.768	64,0 24,3
H FL Line	0,266 0,438	0.402 0.654	0,884 1,469	58.37 112.8	2,822 4,635	0.749 1.223	1,549	605.2 1000,	0,559	1B.0
\$ C & B Fr.	0,476 1,470	0.780 2.825	1.583 4.890	122.4 578.0	5.051 15.60	1.327 4.100	1.790 5,589	1085, 3352,	3,089	32.3 100
_			-							

**EURO-CURRENCY INTEREST RATES** 

April 23	Short term	7 Days notice	Month	. Three . Months	Six Months	One Year
Starling U.S. Dollar Can Dollar D Guitder Sw. Franc Deutschmrk Fr. Franc Italian Lire	115,-12 74-74 95,-101 <sub>8</sub> 55,-54- 78-11 <sub>8</sub> 478-51 <sub>5</sub> 768-784 12-14	113g-115g 67g-7 95g-101g 514-53g 83g-85g 47g-51g 75g-73g 121g-14	105a-107a 634-67g 94a-95a 51a-514 442-45a 75a-73a 181a-1812	10-3-10-5 6-5-6-6 9-18-5-6 6-6-5-6 4-18-4-4 4-3-4-4 7-5-7-12 12-4-13	934-913 613-616 815-93- 51-516 4-418 458-418 714-758 1814-1854	9% 9½ 5% 5% 8% 5% 5% 5% 5% 5% 4% 4½ 7½ 7% 124 12%
8.Fr.(Fin) 8.Fr.(Con) Yen D. Krone Asian \$ (3ng)	914-934 914-934 456-412 834-914 716-713	918-938 9-932 413-418 614-814 7-718	83 <sub>6</sub> -83 <sub>6</sub> 81 <sub>4</sub> -83 <sub>6</sub> 43 <sub>4</sub> -41 <sub>7</sub> 73 <sub>4</sub> -81 <sub>4</sub> 63 <sub>4</sub> -67 <sub>8</sub>	776-816 734-814 456-416 712-8 616-618	714-712 714-714 418-458 712-8 688-614	712-738 7-712 4-3-413 7-712 589-554

#### FINANCIAL FUTURES **Selling develops**

The B-mark rose against a very weak dollar in Frankfurt yesterday. The dollar was yesterday. The dollar was without support apart from the occasional bout of shortcovering, following the failure of recent attempts by the Bank of Japan to push the dollar firmer despite heavy intervention and comments by President Reagan that claimed the yen's rise was legitimate. In addition the market saw little chance of the Bundesbank reducing its discount rate at tomorrow's meeting of the central council, so narrowing interest rate differentials still further.

The dollar fell to DM 2.1890 at the close, down from DM 2.2115 in March US durable goods orders. June US Treasury bonds opened at 103-23, and rallied ahead of the durable goods

Prices fell on the London demand increased on the econo-international Financial Futures mic figures, including an un-Exchange yesterday, in rather changed 0.4 per cent fall in disappointing reaction to the March US consumer prices. This surprising fall of 2.5 per cent was in line with expectations, but

was in line with expectations, but the fall in February durable goods orders was revised to 0.6 per cent from the previous estimate of 12 per cent, and

anno	unce	ment	The	contr	act hít	sel	ing i	began	to de	velop.	. W7	1en			OGOUA			
a pe	ak	of :	104-14	as i	buylng	the	-ma	irket	faile	i to	fol	()W	sugn	ту аг	ove t	ne c	lay's	IOW.
	LONG	GILT	FUTU	RES OF	TIONS		÷		<del></del>	LIFFE	US T	REAS	URY BO	ND FL	TURES	OPTIO	INS	`
Strike			a—Lest			Dide.	Lest			Strike		Call	s-last			Puts	وف	
DUCE	.bona			Mar	June		Dec	Mar		price	June	Sept	t Dec	Mor	June	Sept	Dec	Mar
116		12.58			0.00	0.34	· —	_		92	11.24			_	0.60	0.35	_	_
118		11.10		_	6.01	0.52	_	_		94	9.26	9.2				0.55		_
120	8.09	9.35	_	_	0.05	1,13	_	_		96	7.29	7.54		_	0.05 0.15	7.20	_	=
122	6.17	8.03	_	_	0.13	1.45		_		98	5.39	6.27		=	0.13	1.57 2.40	=	
124		. 6.43		₹.	0.31	2.21	_	_		100 102	3.61 2.37	5.10 4.05		_	7.13	3.35	=	=
128	3.05	5.29		_	1.01	3.07 4.03		=		104	1.33	3.05		_	2.09	4.39		_
128	1.58	4.25		= .	1,54	5.08	_	=		106	0.52	2.25	<b>.</b> —	_	3.28	5.55	_	_
130					6, Puts					Estima	red w	alume	total: (	Celts 16	2, Puts	54	_	
Previous	ne qu	ra bo	an inte	rest: Ca	Dz 9,402	l. Puts	2,951			Previo	us day	r's op	en inte	rest: Ci	1,00 عال	4, Puti	1,640	
		,,		,	<b></b>	•												
LIFFE	E/S C	PTIO	<u>(5</u>										OPTION	15				
£25,000										£12,500	) (cel	_ <u>-</u>			_			
Strike		Call	-Lest				-Last			Strike			⊢Ļ¥șt.				-Last	
price	May	June	July	Sept	May	June	July			price	May	Jane 32,10		Sept	May	June 0.05		Sept
1.20	· —	31.39	· . —	_	_	0.00	_	_=		1.20 1.25		27.10		<i>2</i> 7.10	_	0.10	=	0.25
1,25		26.39		28.39 ·		0.00	. =	0.1 <del>9</del> 0.50		130		22.10		<b>22.10</b>	_	0.30	_	0.40
1.30 .	21.39	21.39		21.39	0.00 0.01	0.01 6.09	0.29	1.12		1.35	17.10	17.10	_	17.10	0.10	0.40	-	1.00
	16,39	10.39	16.39	10.30	0.01	0.41	0.26	2.19		1.40	12.10	12.80	12.10	12.50	0.25	0.50	6.90	2.10
1,40 1 1,45	6.54			8.36	0.57		2.06	3.88		1,45	7.25	7.85		8,90	0.60	1.20	2.00	3.25
4 50	3.06	3.70	4.32	5.69	2.09	3.20 ·	4.13	6.19		1.50	3.40	4.50	4,75	5.90	1.95	2.85	4.00	5.70
<b>Estima</b>	ead w	مصباه	total: (	Calle 13	7, Puts	<b>90</b>						rs op	פורוו מפו	rest Li	ilis 4,04	J, PUC	5 3,302	•
Previou	us da	r's op	en inte	rest: Ca	äs 5,40€	i, Puts	5,357			Volum	8: 30							
										) JEFE		ווחמנ	AR OF	TIONS				
				PTIONS	•					\$1m p								
<u>£12,50</u>	(CB						Lest			Strike			sLast			Puts	Last	
Strike		Call	الجعاب		B.S.	TOTAL S		Sect		orice	.kme	Sept		Mar	June	Sept	Dec	Mar
price	May	June	July	31.60	-			2.05		96.00	3,48	_		_	0.00	-	_	_
1.20 1.25		31.60 26.60		26.60	_	·	_	0.15		90.50	2.9B	3.04		_		0.00	_	_
		21.60		21.60	_	_	_	6.30		91.00	2.48	2.54		_	0.00	0.00	0.04	=
1.35	16.60	16.60	16.60		_	0.05	0.25	0.80		91.50	1.98	2.05		=	0.60	D.01	0.08	
1.40	11:60	11.60	11.60	12.18	0.10	0.35	0.70	1.80		92.00 92.50	1.48	1.50 1.10		=	8,01	0.02	0.15	_
1.45	6.90	7.00	7.50	8.30	0.30		1.90	5.20		07 66	A 63	n as	0.69	_	0.05	0.14	0.28	
1.50	2.90	3.76	4.50	5.55	1.65	2.90	3.70 - 40 3	*		Previo	ns da	W'S (	open ir	terest	Calls	3,207.	Puts	2,311
Previo	us de	y 6. op	en inte	MIRE VI	ile 50,81 100, Puti	2 167	_			Volum	e: 3	•						
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^UU	~46	•				~~~	EAR	1307 B	OTION/	N 611	7		FT-SE	100 IN	DEX			
CHK						-850.0	100 3	inde t	4 100%		••		25 pe		ndex pe			
THREE	MON	TH E	JRODO	LAR (1										Clos			Low	Prev
\$1m p	oints	of. 10	0 <u>%</u>					Hose	High	Lov		JEST.	June	167.2				167.65 169.90
	Let	est .	High	Low	Prev	June		28.02	128.30	127.3	1 12	3-21	Sept Dec	189.50 172.0		5 10 -		172.40
June		.49	93.55	93.48	<b>93.5</b> 1	Sept	1	8-11	129-03	128-1		B- <b>29</b>			385 (39		_	
Sept		.54	23.60	. \$3.54	93.55			28-10	-	-		1-28	Previou	e day	s open	int. 1	,843 [	1,880)
Dec		.41	93.46	53.41	93.40	Men	ah 1	28-10	~	.es	- 12	3-26	,				•	
March	85	16	93.24	98.18	\$9.17 82.93	. Est.	voille Louis d	56 6, h	65 (8,8) con int.	14.067	/ (13.2	278)						

\$100,000 32nds of 100% CERT. DEPOSIT (URM) \$1m points of 100%

THREE-MONTH EURODOLLAR \$1m points of 100% High 93.54 93.86 93.46 93.23

LONDON

STERLING INDEX April 22 Previous 75.5 76.1 75.8 75.6 75.5 75.5 75.5 75.5 10.00 am ...... 11.00 am ...... Noon ...... 1.00 pm ..... 2.00 pm .....

EMS EUROPEAN CURRENCY UNIT RATES +0.62 +0.37 +0.55 -1.50 +0.72 -0.62 -1.65 43-8435 7-32941 2-14489 6-84180 2-42098 0-706815 1471-59 7.91896 2.13834 6.96290 2.40835 0.712956 1486.21

Changes are for Ecu, therefore positive change denotes

#### **MONEY MARKETS**

### Bank of England turns the screw

The Bank of England tightened the screw on the London money market yesterday, lending money for seven days to the discount houses at a rate of 11 per cent. This was above the prevailing market rate for seven-day funds, and † per cent above the level at which the authorities lent seven-day money to the houses on Monday.

After the normal bill purchases the market was around fi225m short, according to the official forecast, and the discount houses had again shown reluctance to sell longer dated bills, in band 2 at 104 per cent. E351m bills were purchased outright before lunch, thouses had again shown reluctance to sell longer dated bills, in band 2 at 104 per cent. E351m bills in band 2 at 104 per cent. Bills in band 1 at 10 per cent. E351m bills were purchased outright before lunch, thouses had again shown reluctance to sell longer dated bills, in band 2 at 104 per cent. E351m bills in band 1 at 10 per cent. E351m bills were purchased outright before lunch, thouses had again shown reluctance to sell longer dated bills, in band 2 at 104 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 2 at 104 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 2 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per cent. E351m bank bills in band 1 at 10 per c

The Bank of England forecast
a money market shortage of
£850m initially, but changed this
to £900m at noon, and to £950m
in the afternoon. Total help on

Two year

MONEY RATES Ovr-night Months Months Months In vin 

FT LONDON INTERBANK FIXING

Month Months Months 8-11 1114-1112 12 1114

Treasury Bills (sell): one-month 10% per cent: three-months 9% per cent. Treasury Bills (sell): one-month 10% per cent: three-months 9% per cent. Treasury Bills: Average tander rate at discount 8.5031 per cent. ECGD Fixed Finance Scheme IV reference date March 5 to April 1 (inclusive): 11.577 per cent. Local authority and Finance Houses seven days notice, others seven, days fixed, Local authority and Finance Houses seven days notice, others seven, days fixed, Local authority and Finance Houses Seven days notice of the seven days fixed for Finance Houses Seven days notice 57-8 per cent. Certificates of Tax Deposit Rate for sums at seven days notice 57-8 per cent. Certificates of Tax Deposits (Series 6): Deposit 100,000 and over held under one month 10% per cent; one-three months 10 per cent; three-eix months 9% per cent: six-nine months 9% per cent; nine-12 months 9% per cent. Under £100,000 % per cent from April 2. Deposits held under Series 5 —per cent. Deposits withdrawn for cash 6 per cent.

through with buying demand, Chicago traders took the oppor-tunity to sell, and pushed June bonds down to close at the day's low on Liffe, of 103-12, compared with 103-21 previously.

good news, as far as the weaker US economy and falling interest rates are concerned, that there could now be a reverse in

CURRENCY FUTURES POUND-S (FOREIGN EXCHANGE) IMM\_STERLING Se per E LIFFE-STERLING £25,000 \$ per £ Low 1.5115 1.5060

decline rather worrying, and may be wondering whether the mar-ket has now discounted so much

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#### ABERCOM GROUP LIMITED ("ABERCOM") ANNOUNCEMENT

Mr Peter Herbert, Chairman and Chief Executive Officer of Abercom has intimated his intention to retire from these positions in order to pursue his own personal business interests in South Africa and abroad. Accordingly, he has relinquished these responsibilities with effect from 14 April

At the request of the Abercom Board, Mr Herbert will remain on the Board as a Non-Executive Director and Joint Deputy Chairman of Abercom, together with Mr Gerald Buckley.

Mr A. J. van den Berg has been appointed a Director and Chairman of Abercom with effect from 14 April 1986. By order of the board

> R. M. POWER, Secretary 17 April 1986.

#### **Exhibitions**

EXHIBITION AND CONFERENCE ON PORT AND HARBOUR, PORTEX '87 THE LARGEST EYER IN CHINA March 18-24, 1987 nghai Exhibition Centre, China

An ideal opportunity to meet the authorised representatives from all the ports of China, especially those from the 14 coastal cities earmarked for accelerated development, and to promote rechnological exchange, business contact, trading and future joint venture.

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is pleased to announce the opening of our new subsidiary in

#### Sweden

#### **Manufacturers Hanover Bank Sverige**

The addition of this subsidiary expands and strengthens our worldwide network of over 100 offices in 42 countries. It indicates our continued commitment to the international corporate and financial communities. A commitment which provides you access to the global expertise, state-of-the-art electronic technology and the creative financing solutions needed to manage your business.

Building on decades of support for the growing Swedish marketolace, Manufacturers Hanover Bank Sverige can provide you with a full array of financial services, including

- Kronor lending
- Money market trading
- Foreign exchange
- Corporate finance
- Trade services
- Cash management services Merchant banking services
- Correspondent banking services

To discuss our specialized banking services in Sweden, contact.

Robert L. Gilbert Managing Director

Kevin T King **Deputy Managing Director** 

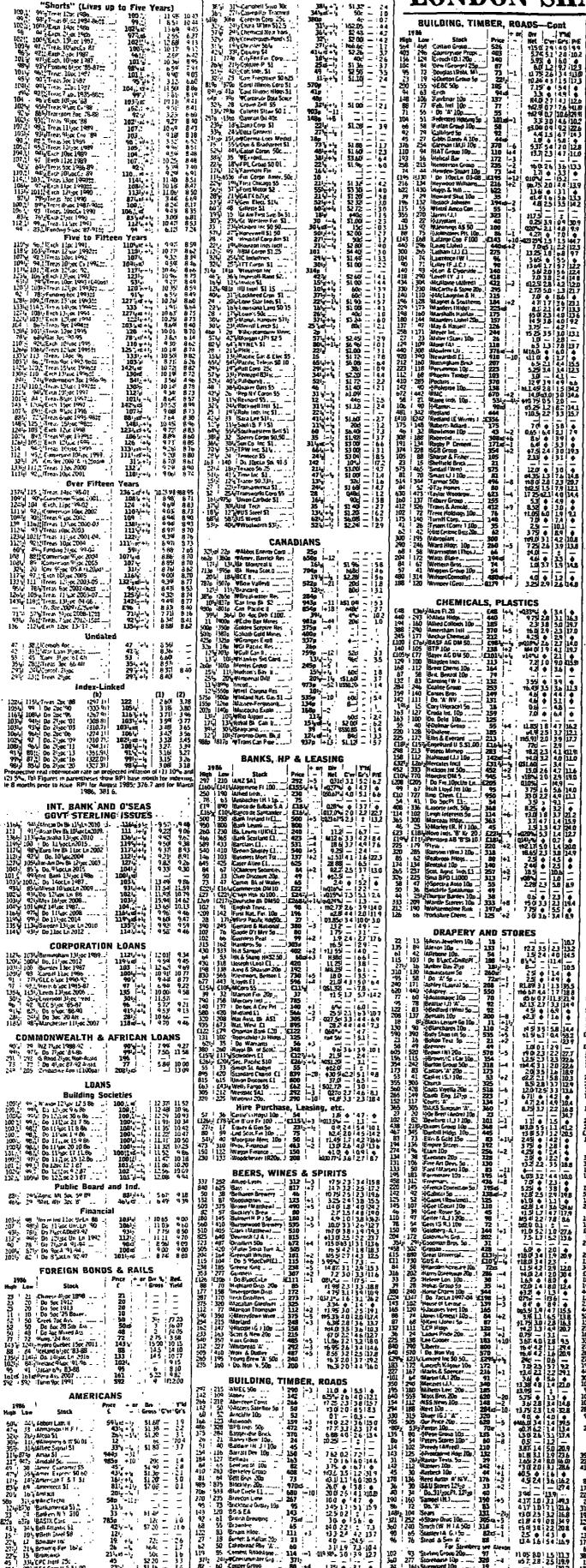
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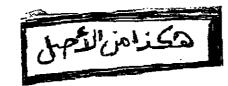
-38

.. BRITISH FUNDS

107... 103... 98... 105... 104... 107...

Clause 7 as. 1935-685;
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offrest 9 ant 6-99
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offrest 99 apr. 286
à Treas 11 por 1999
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7 49-1935-68



39 Teas

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Grang & Rose £1	£13	Arcetts	380	
Finiary Fig 50	46	CP1 Hidgs	62	
IoM Stm. £1	58	+1		
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158 -1,
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221 -7
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46 "Recent Issues " and " Rights " Page 38 (International Edition Page 40)

 $= (z_{ij})$ 

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London equity markets were again looking rather jaded yesagain looking rather jaded yesterday. Overnight firmness on Wall Street — the Dow Jones Industrial Average rose 15.5 to an aff-time peak — gave a small boost to sentiment early in the session, but this proved short-lived amid suggestions that the market could be awash with unwanted Guinness shares following its successful offer for Distillers, Argyll Group placed its 14.4 per cent stake in Distillers, since assented to Guinness, at 300p per share yesterday.

terday. A subsequent announcement from Guinness of a scheme under which a total of around 90.6m new ordinary units will be purchased and cancelled cleared the air to a certain extent, but failed to halt a downward drift in blue chip industrials. Guinness, down to 298p initially, rallied to 320p before closing 2 better on balance at 307p.

at 307p.
Once again, there were few signs of any real selling pressure, but with institutional investors content to stay on the sidelines, share prices were vulnerable to profit-taking. The volume of business remained small, fresh interest being retrained by talk of a stream of

strained by talk of a stream of rights issues in the pipeline. The late afternoon saw a small recovery which left the Financial Times Ordinary share index 4.7 down at 1.389.8 after having posted a loss of 8.7 at the 2.00 am calculation. The more broadly based FT SE index ended 2.8 lower at 1.665.2.

Despite the surrounding un-certainty, bid speculation was still in evidence, fresh activity here being stimulated by Emess Lighting which appeared on the scene with an offer for Rotaflex. Government Securities, in contrast, traded on a quietly firm note. Much of the day's business was confined to routine trading. was confined to routine trading, but the market took on a firmer appearance in the late afternoon following higher opening indications from the US bond market. Medium- and long-dated issues fluctuated narrowly before settling around \(\frac{1}{2}\) to \(\frac{1}{2}\) higher, while the shorts ended a fraction better.

#### Std. Chartered lower

Standard Chartered fell 28 to Standard Chartered fell 28 to 839p, after 837p, following a Press suggestion that a successful bid from Lloyds would hit the latter's US credit rating because of Standard's extensive South African and Asian business; Lloyds closed 4 better at 596p. Other clearers drifted lower for want of support. Barclays gave up 4 at 531p and Midland softened 2 at 566p. Bank of Scotland lost 4 at 423p await-

**EQUITY GROUPS** 

& SUB-SECTIONS

Banks (7) ...

Merchant Banks (11)... Property (50)... 

### Equities continue to drift lower Argyll sells Guinness shares

ing today's preliminary result Elsewhere, Guinness Peat touched a peak of 102p before closing 2 bigher at 99p on specu-lative buying fuelled by US stake build-up rumours.

Lodge Care staged an impressive debut in the Unlisted Securities Market; the shares, placed at 70p, opened at 80p and moved up to 91p; the 7i per cent Redeemable Preference shares are presented at 100p and closed at opened at 103p and closed at

112p.
Leading Buildings opened a shade firmer in places, but subsequently drifted back in the absence of follow-through supabsence of follow-through support. Profit-taking left Blue Circle 10 cheaper at 680p and Tarmac 8 off at 496p; the latter's annual results are due next Tuesday. AMEC eased to 280p prior to closing 3 cheaper at 290p, while Barratt Developments softened a couple of pence to 150p. George Wimpey made early progress to 181p before closing unchanged at 179p. Eisewhere, Hewden Stuart firmed 4 to 730 following a broker's to 730 following a broker's circular, but speculative counter Raine Industries encountered Raine Industries encountered profit-taking and shed 4; to 533p. Among Timbers, recent bid favourite Magnet and Southerns were resilient and closed 2 dearer at 184p, after 188p, while Travis and Arnold rose 9 to 412p on further consideration of the annual results. HAT Group found

annual results. HAT Group found support at 110p, up 4, and Attwoods added 3 to 159p.

Among Chemicals, Yorkshire added 2 more to 125p on takeover hopes. Leigh Interests attracted speculative country buying and put on 6 to 114p, while Wardle Storeys gained 8 more to 333p. Elsewhere, Amersham International revived with an improvement of 5 at with an improvement of 5 at 370p.

#### Stores subdued

Leading Stores gave ground across the board, albeit in extremely subdued trading, as investment confidence was unsettled by the contradictory nature of the provisional retail sales for March, which showed an encouraging rise of 4.7 percent on the same month last saies for march, which showed an encouraging rise of 4.7 per trent on the same month last year, and the cautious tenor of the latest CBI/FT joint survey of the distributive trades, which suggested that many retailers are carrying heavy stocks. Quotations displayed a slightly firmer tone after the official close, however, and Marks and Spencer, due to reveal annual results early next month.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times.

the Institute of Actuaries and the Faculty of Actuaries

Tues April 22 1986

FINANCIAL TIMES STOCK INDICES

<u> </u>		Apr. 82	April 21	Apr. 18	April 17	Apr, 16	Apr.	ago .
Coyernmen	t Secs	94.25	94,23	94.51	94.38	93.50	20,52	81.73
Fixed Inter	est	97,51	97.35	97,40	97,36	96.77	96,47	86.17
Ordinary ●		1389,8	1394,5	1405,1	1401,2	1379.4	1370,8	9.929
Gold Mines		267,5	270,0	271,7	274.6	282,9	287,4	507.6
Ord. Div. Y	eld	3,88	3.86	3.84	3,84	3,89	3,89	4.74
Earnings, Y	la. Şfulli	9,50	9,55,	9,42	9,41	9.51	9.54	11.96
P:E Ratio (n		12.77	-			12,97		
Total bargs	sins (Est.)	29,675						
Equity turn	over £m.	_		839,12				
Equity barg	jains	_	29,277	27,546	28,612	34,428	35,776	82,720
Shares trac	led (m:	_	253.5	297.1	309.6	453.2	329.4	181.8
100 Govern	ment Sec	unities 1	15/10/26	. Fixed i	aterest 1	's Low 1928, Cr	digary.	177/35.
Gold Mine:	ment Sec	unities 1 Activit	15/10/26. y 1974.	. Fixed i	nterest 1 ndex 01-	's Low 1928, Cr	dinary 5. "Nil"	Besis 1 <i>f1;3</i> 5. =12.31.
Gold Mine:	ment Sec 12/9/55	ACTIVITY	15/10/26. y 1974. DWS	. Fixed i	nterest 1 ndex 01-	3 Low 1928. Gr -246 802 S.E. A	dinary 5. "Nil"	Besis 1 <i>f1;3</i> 5. =12.31.
Gold Mine:	ment Sec 12/9/55	ACTIVITY AND LO	15/10/26. y 1974. DWS	Fixed to	ndex 01-	1928. Gr 246 802 S.E. AC	ETIVIT	8esis 1/7/35. = 12.31. Y
Gold Mine:	ment Sec s 12/9/55 HIGHS / High	Activities 1 Activit AND LO	15/10/26 y 1974. DWS Bince Co High	Dripliati	nteres 1 ndex 01- NDi Dally Gilt Ed Barg:	s Low 1928. G: -246 802 S.E. A( CES	Apr. 21	Besis 1//35. =12.31. Y Agr. 18
Gold Mine	ment Sec 12/9/55 HIGHS / High 94,51 (18,4) 97,51	AND LO  86  Low  80,39 (20:1) 86,55	15/10/26 y 1974. DWS Bince Co High 127.4 (9:1/35) 150.4	Direct I	ndex 01- n INDI Daily Gilt Ed Barg; Equitie Barg; Value	S Low 1928. Gr -246 802 S.E. AC CES	Apr. 21	Besis 1//35. =12.31. Y Agr. 18
Gold Mines	ment Sec s 12/9/66 HIGHS A High . 94,51 (18,4) 97,51	AND LO 86 Low 80,39 (20:1) 86,55 (25:1)	15/10/26 y 1974. DWS Bince Co High 127.4 (9:1/35/ 150.4 (28/11/47 1425,9	Dripliat's Low 149.18 15:175; 16:175;	ndex 01- nde	s Low 1928. Gr 246 802 S.E. A( CES ged ginss ainss ainss	Apr. 21	Besis 1//35. =12.31. Y Agr. 18

from Capital and Counties, rallied to 200p, a net fall of 8. The absence of takeover develop-ments left Martin Ford another Il cheaper at \$3p, but Blacks Leisure, depressed on Monday following adverse comment in the weekend Press, rallied 12 to 11p. Laura Ashley encountered occasional nervous offerings ahead of today's full-year figures and eased 7 to 208p.

Rotafiex highlighted Electricals, soaring 93 to a new peak of 303p on news of the surprise share exchange bid from Emess Lighting, 14 better at 317p. This Development fuelled demand for other bid favourites in the sector and Crystalate showed to good advantage with a sain of good advantage with a gain of 8 at 208p, while D. J. Security Alarms added 6 at 123p. Atlantic Alarms added 6 at 123p. Atlantic Computer, excited by the announcement that Peakhurst Corporation had increased its stake in the company to over 15 per cent, advanced 15 to 275p, while improvements of around 10 were seen in Enrotherm, 343p, MK, 350p, and Burgess Products, 235p. SCUSA, on the other hand, relinquished 4 at 146p after profit-taking in the wake of annual results. Among the leaders, STC moved up to 160p as takeover hopes resurfaced before closing only a

Fri April 18

4.51 761.80 754.98 755.11 582.51 1.60 304.96 308.14 308.10 295.73

Taurs April 17

couple of pence dearer at 156p. Plessey hardened 2 at 234p, but GEC softened that much at

Engineering leaders succum

tagineering leaders succum-bed to profit-taking. Vickers lost 10 at 493p and Hawker gave up 6 at 611p, while GKN cheap-ened 5 at 349p. Elsewhere, Weir reflected fading bid hopes with a reaction of 7 at 140p, while Hopkinsons declined 8 at 260p Hopkinsons declined S at 260p and Frederick Cooper lost 7 at 88p. Revived takeover talk lifted Aurora 6 to 81p, after 83p, and speculative buying also helped Metalrax put on 7 at 100p. Demand ahead of next Monday's preliminary figures left Wadkin a further 10 up at 338p, while improvements of 10 and 11 respectively were seen in S. W. Farmer, 77p, and Hill and Smith, 100p. Food Retailers displayed a

Food Retailers displayed a couple of bright features. ASDA-MFI attracted speculative support and firmed 6 to 160p, while old takeover favourite Hillards gained 13 more to 238p on speculation about a bid from either J. Sainsbury or Safeway. Bejam also attracted buyers at 160p, up 5, but Rwik Save, still overshadowed by a broker's adverse circular, eased 2 more to 265p, after 266p. Elsewhere, Cadbury Schweppes encountered sporadic selling and shed 6 to 180p, while S. & W. Berisford lost 4 to 245p pending any further bid developments; Berisford confirmed yesterday that discussions are continuing with other narties including Beristord confirmed yesteroay that discussions are continuing with other parties, including Tate and Lyle, with a view to securing an alternative to the Hillsdown offer for the com-

Grand Metropolitan drifted off to close 5 cheaper at 398p, while Trusthouse Forte settled

Rank Organisation lost 23 to 530p following a profits downgrading by de Zoete and Bevan. Glaxo, meanwhile, remained out of favour and dropped { more to f10, while Reecham softened 5 to 421p and Metal Box cheapened 6 at 688p. Elsewhere among miscellaneous industrials. Clement Clarke plummeted 18 to 165p in reaction to the disconsisting angular results. the disappointing annual results and Hartons gave up 4 to 43p for the same reason, Associated Heat Services, however, rose 22 to 355p in a thin market following an investment recommendation and Portals revived with an improvement of 40 at 900p. Speculative buying prompted gains of 5 and 14 respectively in Sycamore, 39p, and Beatson Clark, 212p. Morgan Crucible jumped 24 to 297p following comment on the results; the price in yesterday's issue was incorrect. Parkfield revived at 460p, up 30, and Pentland Industries moved forward 25 to 565p. Duport added 9 to 125p and Scapa 10 to 525p. ing an investment recommen-

Leisure Among Leisure issues,
A. & M. Group gained i to 14p
on news that the company had
disposed of its 14.1 per cent
stake in Promotions House for
f1.2m: PH lost 11 at 341p.
President Entertainments shed
2 to 122p following details of a
f4.5m rights issue and full listing applications. Sangers Photographic were a lively market
and gained 7 to 118p.

Motor Distributors Motor Distributors made fresh progress amid hopes of further rationalisation within the sector. C. D. Bramall, scheduled to reveal preliminary results today, put on 13 to 300p, while Appleyard hardened 5 for a two-day advance of 12 to 130p, Kenning improved 15 to 215p reflecting revived demand for Tozer Kensley and Milibourn, finally 6 dearer at 131p.

Paper/Printings provided an

early duli feature in McCorquedale which slumped to 190p before settling 20 lower on balance at 200p on the announce-ment that the hostile bid from Norton Opax, finally 5 dearer at 148p, had incurred a Monopolies Commission reference. where, company where, company trading statements prompted some noteworthy movements. St Ives, widely supported in recent weeks, advanced 55 more to 855p following the interim results, but Cradley Print contrasted with a decline of 6 to 64p in reaction to the disappointing first-half figures. Advertising agencies highlighted Boase Massimi Pollint which fell 20 to 335p following profit taking in the following profit-taking in the wake of full-year figures in line

Properties were among the Stocks favoured for the call day's best performers on interest included Dricestrol, Stock Congrate hopes and takeover specuversion. ASDA-MFI, Blacks lation. Bid favourities MEPC and Leisure, Quest Automation, by traded option business, rose 10 to 326p, while Peachey, 277p, and Great Portland Estates, 180p, both firmed 4. Greycoat revived with a gain of 14 to 252p, while Rosehaugh moved up 20 to 600p awaiting today's half-

with general expectations.

Gentlemen's Association gained for to £10), after £10), following reports of an unsuccessful attempt by bidders Bestwood to raise its stake to 14.9 per cent; Bestwood gained 30 to 490p. Strond Riley Drummond, the

Elsewhere, Country

Strend Kiley Brunmond, the Yorkshire-based manufacturer of worsted suiting and knitting fabrics, advanced 6 for a two-day gain of 9 to 100p as speculative interest mounted in the wake of substantial call option business recently. R. Smallshaw, due to appropriate mailining. due to announce preliminary figures today, rose 5 to 57p.

#### Shell gain ground

Leading oils made modest pro-gress following the conclusion of the OPEC meeting in Geneva.
Shell, helped by domestic and
US support, moved up 18 to
770p, while BP edged up 3 to
541p and Brittoil put on 6 to 171p.

A late improvement in the bullion price failed to arrest the recent slide in South African gold shares. Bullion held around \$344 an ounce for much of the day but edged higher later to close a net \$3.25 up at \$345.5.

Golds continued to drift easier throughout the morning and most of the afternoon but steaded after-hours as the bulsteaded after-hours as the out-lion price began to improve. At the close the majority of the leading issues were left with minor changes in either direc-tion after another day of mini-mal turnover. The Gold Mines index lost 25 more to 267.5, extending the fall over the past-five trading days to one of 22.5. South African Financials were equally subdued and "Amgold" dipped a point to £48, as did Anglovas, £32. Gold Fields of South Africa settled 31 off at

Paper/Printings provided an in the day but subsequently duli feature in picked up to close with only moderate falls in balance. BTZ, down to 705p initially, were finally only 3 easier on balance at 709p. Consolidated Gold Fields rose 3 to 472p while speculative interest lifted Rampton Areas 6 to 108p.

Australian industrials and banks finally ran out of steam banks finally ran out of steam in overnight domestic markets and fell sharply across the board. In London trading Elders IXL dipped 6 to 212p and BHP were a shade easier at 345p. Bell Resources held at 200p ex the four-for-five rights issue at A\$3.50 a share. The new nil-paid were quoted at 32p premium:

#### TRADITIONAL OPTIONS

well to the fore, the former zol, Sycamore, Queens Moat rising 7 to 375p, after 378p, and Houses, Jessups, Chloride, STC, the latter gaining 45 to 710p.

Land Securities, partly boosted

Lonrho, Oil Search, William Lourho, Oil Search, William Boulton, Raine Engineering and Combined Technologies. No puts or doubles were reported.

RECENT ISSUES

ľ	EQ	UIT	[JE	5		· · .				<u>.</u> 15 - 9 - 5	_
	90	150	number and a	19	96 	Stock	Olosing	+0	# E	Overed Prese	
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ŀ	1160	FP	25/4	85	125 65	Do. Defd,	147 32 205	_1	22.9 83.5	3.2 2 3.6 3	0 22.4 8 16 !
	165 1105 180 570	FP	18:4  25/5	1165	128 174	Lee Inti. 10p	175	_ <u>2</u>	R3.8 02.0	2.9 5. 2.4 5. 3.5 2.	1 16.6 1 19.6
	4130 75	F.P.	13/5	144 103 82	86 81	AMenvier-Swain 5p NMC Inva. W7723. RiverMerc G C&I T Inc Do. Gap	81	7 	=		=
	10 11 H 215	F.P.		900 234		Rodime 5p. Templeton Galbraith	700 210	+8	n8-8	2.9: 2.	ol va

#### FIXED INTEREST STOCKS

lssue price	in the	D TO S 1986		_ _ _	Stock	Closing price £	+ 4
199,998 (100 (100 (100)	255. F.P. 230 F.P. 210 F.P. F.P. 540 F.P. 240 E25 F.P. 240 E25 F.P.	26/4 16/4 3/7 29/5 29/5 29/5 14/7 30/6 1/8 25/4 16/5 25/6	274 112 38 10712 1146 1012 152 1072 1072 1004 415 6ppm 3 11006 415 42 42 42 43 44 44 44 44 44 44 44 44 44 44 44 44	244, 1084, 204, 101, 101, 102, 102, 103, 103, 103, 103, 103, 103, 103, 103	ASDA Prop. 10.3% lst Mt. Deb. 2011 Aberdeen Gity of: 10.5% Red. 2011 American Medical Int. 91% Unst. In. 2011 American Medical Int. 91% Unst. In. 2011 American Medical Int. 91% Unst. In. 2011 Brit. Land 101% 1st. Mort. Deb. 1974 Coine Valley Water 10% Red Deb 85:8% Do. 51% Red. Pref. 92.96 FPNFC 6.2% Chw. Cum. Red. Prf. Glass Glover 8% Qum. Chw. Red Prf. 2000 Hanson Trust. 10% Cw. Un. In. 107-12. Hawley Grp. Chw. Cum. Red. Prf. Intel-Am Dev Bk 94% Uns Ln 2014 Intel-Am Dev Bk 94% Uns Ln 2016 Intel-Am Dev Sk 94% Uns Ln 2006 Int. Prov. Shop 10% Ist. Miss. Deb. 2028 Morcsau 81% Corv. Uns. Ln. 2000 Nationwide Bidg. Soc. 104% 64487 Do. 912% 2774-87 Peel Hidgs 91% Ist. Mort. Deb. 2011 Gueens Most 101% Ist. Mort. Deb. 2015 Sounity Trust Scotland 12% Deb. 2015 Sounity Trust Scotland 12% Deb. 2015 Sounity Trust Scotland 12% Deb. 2015 Scounity Deb. 2016	107 1114 10 115 1105 1105 1105 1129 1124 1134 1134 1134 1134 1134 1134 1134	+ +

#### RIGHTS OFFERS

latest latest	1988	Stock	50 to
price Es date	High Low		<u> </u>
60 NII 30/5 250 NII 30/5 30 NII 30/5 140 F.P. 12/6 285 NII 75/6 270 NII 75/6 150 F.P. 9/6 1782 F.P. 9/6 1782 F.P. 23/5 65 NII 22/5 65 NII 22/5 70 F.P. 23/5 70 F.P. 23/5 71 NII 60/5	70gm 27; 12pm 9; 173 156 35pm 30; 88pm 60; 259 239 218 208 121 100 77pm 56; 100 91 10pm 6; 36pm 55		9pm

#### LOWS FOR 1986

RISES AND FALLS

275-158 20 4 22-42

#### Gross Div. Yield% (ACT at 29%) index No. index No. index No. | No. | Clarge | Clar CAPITAL GOODS (214) Electricals (12) Electronics (38) ..... Mechanical Engineering (63) ... Metals and Metal Forming (7)... Motors (17) Other Industrial Materials (22) CONSUMER GROUP (184) Brewers and Distillers (22) Lerstre (25) Publishing & Printing (14) Packaging and Paper (14) Stores (43) Textiles (17) Totacos (2) Chemicals (19)... Office Equipment (4) ...

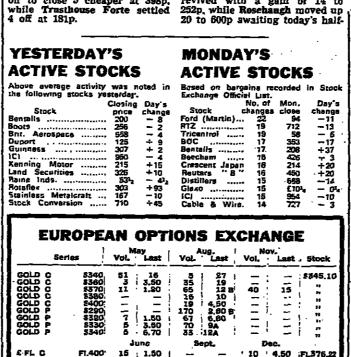
91	Overseas Traders	(14)		673.	17 -0.7	7 12.6	4 61	9.25	8.09	678.02		684.16	658.13.
99	ALL-SHARE INC	IEX (736	)	816.	39 -0.	<u> </u>	3.7	2	7.29	817.37	820.94	820.78	619.05
				Inde No	Chai	nge Hig	tı Love	21	Apr 18	Apr 17	Apr 16	Apr 15	Year ago
_	FT-SE 100 SHAI	E INDE	X 4	166	,21 –21	3 13674,	1 1659	0.6301	1680.2	1680.9	1662.0	1654.8	1284.9
	FIXED INTEREST							RAGE GI EMPTION	ross I Yield:	•	Total Apr 22	Mos Apr 21	Year ago (apprex.)
	PRICE INDICES	Tues Agr 22	Day's change	Mon Apr 21	nd adj. today	ad adj. 1986 to date	1 Low 2 Cog 3	pons :	5 years 15 years 25 years		7.39 8.38 8.40	7.41 8.37 8.38	19.43 19.53 19.15
1 2	British Soveressent 5 years 5-15 years	125.13	+0.06	125.05 148.39	- -	3.66 4.58	4 Med 5 Cour 6 7 High	poris I	5 years 15 years 15 years 15 years		8.61 8.61 8.61 8.77	8.62 8.62 8.62 8.78	11.29 19.83 10.35 11.35
4	Over 15 years (yredeemables All stocks	157.05 180.68 143.30	-0.09 +0.17 +0.05	157.19 180.37 143.22	<u>-</u>	5.19 1.62 4.36		deemables.	5 years		8.77 8.77 8.39	8.78 8.72 8.40	10.98 10.50 10.01
	Index-Linked 5 years Over 5 years	112-56 116.69	-0.05	112-56 116-74 115-98		0.81 1.21	11 lefte 12 lefte 13 lefte	ex-Linked at'n rate 59 at'n rate 59 at'n rate 10 at'n rate 10	6 6 Gver %	5 yrs 5 yrs 5 yrs	3.33 3.38 2.17 3.22	3.32 3.38 2.16 3.21	8.0 0.0 0.0 0.0
9	A/I Stocks	115.94 124.22	1	124.13		1.14 4.61	15 Deb 16 Loa 17		5 years 15 years		9.88 9.79 9.78	9.91 9.81 9.70	11.95 11.68
70	Gerference	R6.42	-0.02	86.44	_ '	2.20	1R Peul	2720ca			71 12	7.70	11.47

+0.1 +0.6 +1.5 -0.2 +0.4

355.93 764.85

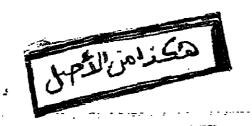
ion index 1673.9; 10 arr 1673.6; 11 am 1669.4; Noon 1665.7; 1 pm 1661.0; 2 pm 1659.7; 3 pm 1663.4; 3.30 pm 1665.0; 4 pm 1664.7

† Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituent is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 28p.



EUROPEAN OPTIONS EXCHANGE										
Ser	ries Vo	May	Vol.	ug. Lest		ov.` Last	. Stock			
GOLD C GOLD C GOLD C GOLD C GOLD P GOLD P GOLD P	\$370 I \$380 \$400 \$290 \$380 \$330	3 : 3.50	65 16 19 170 67	19 12 8 10 4,50 2,80 8 6,60	40	15	\$845.10			
		June		ept,		ec.				
EFL C EFL C EFL C EFL C EFL C EFL C EFL C	FI.415'	4 7.50 0 5.30 4 5.60 8 2.30 9 1.20 8 0.90 0 0.605	104 35 99	1.70 10 7.60 6.80 4.90 3 2.50	; =	6.50	:FL376,22			
2	F1.310; 7 F1.240 77 F1.245 22 F1.250 67 F1.255 2 F1.255 5 F1.270 1	5 : 0.10 7 : 8,60 3 : 5,50 9 : 8,50 4 :11,50	209 5 11	9.30 12 15	20 500 10	12.20 14 18	P P P P P P P P P P P P P P P P P P P			
	July		et.			en,				
ABN C ABN P AEGN C AEGN P AH C AH P AKZO C AKZO P AMEY P	F1.500 12 F1.540 11: F1.118 9 F1.105; 15 F1.55 7: F1.75 1: F1.180; 57 F1.170 27 F1.90  14 F1.85 1:	2   4,40 7   5 4   4,20 5   2,40 6,70 B 4   4,70 7   3,90	10 95 8 21 250	4 10,80 6,30 6,50 A	2 17	10 - - 13.80 7.70	FI.131.26 FI.131.26 FI.78.70 FI.178.90 FI.65.80			
AMRO C AMRO P GIST P HEIN C HEIN P HOOG C HOOG P KLM C KLM P NEDL C NEDL P	F1.105 211 F1.105 354 F1.270 354 F1.240 25 F1.240 25 F1.200 34 F1.100 34 F1.60 55 F1.90 61 F1.150 13	4 6 3 15 5 4.50 9 2.70 9 5 1 1.70 7 1.10 2 3.30 9 9.50 A	370 	10 7.70 22 B	30	10,50	F1.104.40 F1.271.50 F1.279.10 F1.175.40 F1.49.50 F1.174.70			
NATN C NATN P PHIL C PHIL P RD C RD P ROBE C UNIL C UNIL P	FI.85 26 FI.95 68 FI.70 821 FI.65 31 FI.200 115 FI.180 17 FI.95 5 FI.420 4 FI.420 7	4 4,70 4,50 0 1,20 7 4,80 0 4,20 7 3,90 1 5	71 25 371 44 97 66	6.70 6.70 2.70 7 7.80	30 597 167 37	8,50	FI. 80.20 FI. 62.80 FI.197 FI.430.58			
TOTAL VOL	UME IN CONT	RACTS: 40	,973.							
ŀ	A=Ask	8=8:0	C=	Cali	P≃Put	:				

both	Marks & Spencer. British Ben- zol, Sycamore, Queens Moat	NEW L	OWS (37)	Corpus Dom Foreign Bonds	16 17 3
, and 710p.	Houses, Jessups, Chloride, STC,	AMERICANS (1)	GATX CANADIANS	I and the second of the second	275 364 85
osted	John Brown, Pilkington, Lonrho, Oil Search, William	Security Tag Sys (1) W. A. Hidgs:	rems, ENGINEERING: FOODS (1) Assoc	Oils Plantations	20 30 7
rose 277p.	Boulton, Raine Engineering and Combined Technologies. No	Intel, Security	TRIALS (3) Ryan Services, Trafalger	Others	
taies,	puts or doubles were reported.	House LEISURE (	3) Aspinell, Chryse- ISTS (2) China and	Total	598 635 1,54
ycoat 4 to				. <b></b>	
half-		a a la a la a para	and the second second		
- 1	LON	DON TRAL	ED OPTIOI	<b>45</b>	
.	CALLS	PUTS		GALES.	PUTS
	Option Apr. July Oct.	Apr. July Oct.	Option -	May Aug. Nov.	May Aug. Nov.
Stock	B.P.   500   42   65   75 (*541)   550   2   30   42	04 7 1 17 13 27 38	P. & O. 1, 420 (*588) 460	135   150   - 95   110   125	1 2 -
Day's	600   014   12   20	60   63   78	500 550	55 75 95 25 50 65	1 4 8 4 12 22 25 55 45
enge	Cons. Gold 460 10 45 62 62 630 1 30 42 650 1 14 27	40 45 57 40 45 57	Recal 160 (*202) 180	46 66 — 28 40 58	2 4 <del>1</del> <del>1</del> <del>1</del> <del>1</del> <del>0</del>
-13 - 6 -17	Courtaulds   260   18   30   37	90   87   90. 1. 1 1 1 1 1 1 1 7	200 220	14 26 36 5 16 24	10 14 18 24 26 50
+37	(*278)   280   1½   22   28 500   1   13   18	5 24 87 25 36 38	R.T.Z. 650	72   94   115 57   70   90	7 24 34 24 37 47
+20 +20		55   67   59     04  3   6	750 800	20 48 67	64 70 77 107 110 115
-14 - 02	(*334) 300 34 48 53 330 5 29 34	0'4 7 11 2 15 19 -	Vaai Reefs   60   70	18 161 <sub>2</sub> — 7 11 16	2 4 1 5 74 114
-10   - 3	Cable &Wire  600  130  155  175	1 041 5 1 10	.80 .00== 1	27s 7 10	13 1419 1712 20 31 2412
	(*725)   650   80   110   136 700   30   75   106 750   1   45   75	1 10 80 2 30 40 27 45 60	TR11231 108	4년 4년 5년 2월 3은 4년 1년 2월 3년	04 04 1h 03 14 24
	Distillers   550  135  153  168	Ole: 8 . 3	TRILIX04/07   118	1/6] 21/2 31/4 814 954 1054	1/2 2/6 356 0-1 141 1/3
	(*583)   600   85   107   120   650   35   65   65   65   700   2   33   40	] 2 ] 18 ] 25	(*£126)   120   	64 84 97 518 678 81	. Cial 14 20s
5.10	G.E.C.   160   36   44   92	1 04 (8 ) 48	124	850 6 78 850 418 6.6	05e 25e 3-6 11e 3-6 4-6 17e 4 41e
	(*194) 180 16 26 134 200 1 14 22	6 14 18	Option	June Sept. Dec.	
: 1)	Grand Met   327-  78   103   115	1 26   30   340	11000	108 (110   120	lune Sept Dec.
: []	(*403) 355 50 76 98 388 25 87 72	1 6 10 1 17 23	(*485) 350 390	77 83 98 58 58 78	6 10 17 10 20 25
: [[	1420   1   33   46	1 20 1 30 1 35	800ts 1240	25   50   68	25 38 38 7 1 11 1 14
76,22	(*954) 850 105 130 148 900 55 86 105	2 8 17 2 17 29	(°256) 260 280	17 24 35 8 16 23	16 19 21 28 33 34
7,85	950 10 52 72 1000 1 27 52	6 83 44 58 62 70	BTR 426 (*475) 460	62   85   62	5 10 = 15 20 25
	Land Sec. 280 46 55 65 65 7526; 300 26 36 49	014 8 5 1 6 10		12 35 48	77   48   48 10   15   25
		8 15 21	850 Brue Circle ( 500 )	66   100   115   35   68   98   90   105   198	30   45   50 65   75   85
	(*215; 180 36 42 45 200 16 28 36 220 2 16 23	1 74 6	(688) 850 700	90   105   128   48   75   93   27   45   67	6 12 15 17 30 53 40 50 50
	Shell Trans.   700   78   97  110	04 9 10	(*87.63) 760	00   120   136   80   85   106	20 37 50 35 56 63
	(*768) 750 22 55 67 800 2 27 38	3 40 50 3 40 50	GKN 1-300 1	42   52   77	68 80 85 3 1 10
	Traf'gar Hee 500   7   25   41   (*507)   539   1   11   27	25 30 38		15   25   35	12 17
6.50	360 1 5 10	65   66   66 -	-Glaxo   950  1	10 (145 ) - 1	43 46 49
1.20	Option May Aug. Nov.	May Aug. Nov.	f0080: [:	70 110 140 55 86 110 50 55 85	45 58 70 80 85 95
.70	Briz Aero   460   105   122   137   (*558)   500   73   97   116	2 5 15	("165) 160	18   26	5 6 125
B.90	(*556) .500 75 97 116 550 30 62 78 600 11 32 53	4 12 18 22 50 37 48 56 60	185	10- 19 27 44 12 17	2 2 3
5.80	RAT inds 1 330 a 100 113125	1 1 8 4	Jaguar   590	92 1108	29 94 25 37 38 39
4.40	(*421) 360 70 88 103 390 45 65 83 420 21 42 59	5 6 12 7 12 20 17 23 50	(*458) 420 460	65 88 98 48 62 78	4 9 - 7 16 22 20 25 33
1.50	Barciays   460   77   92   107		Thorn EMI   420	20   43   _   99:  205  120	48 60 5
9.10 5.40	(*532) 500 45 62 60 550 18 32 47	10 15 22 58 37 42	(*502) 450 500	62 77 92 57 52 65	3 4 8 5 17 22 22 30 55
2.50	Brt Telecomt 220   30   36   44		Tesco   300.1	73   85   - 1	58 55 60
4.70	Brt Telecomt 220 30 36 44 (*244) 240 14 24 30 250 5 16 22	\$ 4 6 54 11 16 20 26 30	360	48 55 65 28 55 48	4 10 15 16 18 25
2.20	280   212   9   14	58 40 42			30 36 40
2.80	imperial Gr. 300   35   47   60   60   60   60   60   60   60   6	2 6 8 12 14 17	Option Apr.	May June July Ap	r. May Jun. July
7	Legmo:   120   22   30   38	7 1 14 1 16	FT-SE   1575   93 Index   1600   68	107 122 - 87 107 -	
	Legmo 120 22 30 38 (*128) 130 12 22 30 140 7 16 83	14 20 24-1	(*1665)   1625  45   1660  30	70 92 54 82 95 1	513011
0.58	160   3   10   16	37 40 42	1676 15 1700 6 1750 2	45 67 87 8 58 55 76 8	60 80 90 79 95 10s
	Lonrho 240 36 46 51 (1270) 260 26 38 40	6 13 16	: <u>, :=:::a .</u> 1	10 04 43 9	2 112 126 130
1	280 11 22 31 300 4 13 24	18 25 25 32 36 39	April 22 Total o Puts 5,892	ontracts 19,684 C. Underlying securi	
	نصرجن البناكوكالاستان يوسيها				y price.
			.:		



#### WORLD STOCK MARKETS

STRIA		GERMANY	: : :		NORWAY			AUSTRALIA (	contin	ned) .	JAPAN (copt	
April 22	Price + or	April 92	Price	`. - à-	Aprıl 23	Price	+_0	April 22	Price	+ or	April 82	Pric Yer
dit'net'it pp	8,360 +40		Dill.	` <u>-</u>	Bergens Bank			Gen. Prop. Trust	2.5	+ 0:05	WHI	. 891
dit'net'it pp	3,850 +18	. I ∼HANZ VAfa		+1.3	Borregaard	, 352,5		Hawile (Jemes)	3.3	0,2	Mitsul Bank Mitsul Co	1.03
ndcrbank		BASF	325.I	. 24	Christiania Bani Dennorska Cra	d 156	125	Hertogen Energy Herald WyTimes	6.4	+0.04	I Mitsul Estate .	. 1,620
mooser	702 - 12			0,9	Elkam Kosmos	_ 126 155	+1.5	ICI Aust	2.6 n x	' - 0.15 -0.61	Mitsul Toatsu Mitsukoshi NGK Insulators	. 666
mooser yr Dalmlor Mcher Mag	198 + 2	P-CAGL-AGLOUD""	- <b>64</b> ₽ ,	45 .	! KYBETNET	. 154	+ 2.6	I Kie Ore Gold	0.10	-0.01	NGK Insulators	1,030
societ leading as	11,55095	BMW	573	<u>- 10</u>			+3. -9.	Klaston Gold	D.3	0.03	Nikko Sec	1,490
LGIUM/LUX	FMROUDC			5 +6.3	Norsk Data Norsk Hydro Sterebrand	145.5	+1.5 +2.5	Mayne Nickless		- 0.04 D. 15	j Nippon Elect I Nippon Express	1,550 785
		Cont'l Gummi	355.5	3 6	OQUI BU (BING IL-			Nat Aust Bank.	6,48	-0, 12	I Minney Catelei	1,470
April 22	Price + or	L MUTTIET-BAA+	3 511	+4	SPAIN			News	18,8 3.5	-0,1 0,1	Nippon Kogaku. Nippon Kokan	'136
L	3 300	Doguese	516	-9	STAUR			NorandaP&Ppd	0.94	-0,05		1,130
G. Gen. Live	15 OSA -	D'ache Bahonek	225	~5	April 22	Price	+ or	North Bitn Hill	2.06	- 0,08 + 0,02	Nippon Shimpa	n <b>1,</b> 100
q. Int.A.Lux		Drastner Bank	892,5	-0,5	Bco Bilbao		- 20	Pacific Dunion	3.85	- 0.15	Nippon Steel Nippon Suisan	
ent CSR keriji		Henkel	250.5	-2.6	í Bog Central	. 714	16	Pancontinental . Ploneer Conc	2,95	- 0,63 	Nippon Yusen Nissan Motor	395
18126 1	2.850 +32			+ 20	Boo Exterior	455	-20	Postidon	2,40	+0.05	Nisshin Flour	. 655
S		I ROGERNAL	214 1	-3.1 -2.5	Bco Popular Bco Santander	<del>99</del> 5	+2	Reckitt & Colman	4,5	- 0.01	I DIVINDUS	4.100
rique Nat	2,655 +10 7,600 +35	Holzmann (P)	660	+10	Bco Vizcaya Dragados	. 1,115	+ 15	Repco	3,70	+0.04	Onoda Cement. Orient Finance.	'422 
erele Bank	3,250 +15	LITERAL TOTAL CONTRACTOR	515	- <u>1</u> :	I Hidrola	. 116.7	-1.5	Smith (Howard)	4.65 4.05	0,05 -0,03	(Orient Leasing .	., 3,400
2017	B.400	Kauthot	474	+ 8 + 2:5	Retrolege	. 148.5 438	+20	Tooth	5.6		Ricoh	. ×,250
rcom	3'900 : 3A		301	-1,5	Petroleos	. 200	+8	Vamgas	2,15 5,23	_C_02	l Sanwa Bank	. 1,400 2 300
dietbank Hitigs	4 finn . sa	Linde.	104 751	+0.5				Westpac Bank Woodside Petrol	6,16	0,88	Sanyo Elect	. 426
rofina ale Belge	7.510 +10	MAN	268	+5	ZMEDEN	٠ ٠٠		Woolworns t	3.4	-0.05	Sapporo	1,120
. 460-166	3 9 EA	Magnesmann	257	-2.5	April 22	Price Kronor	+ 01	Wormald Intl	9,03	-O, 15	Seven-Eleven	. 7,700 . 957
TA	n enn		355 355	-9 +5	AGA			14014 2010		<del>-</del>	Shimizu Constn Shionogi	525
wick inti	8,660 +16 480	I PIXCON	. 635.2	+? -0.5	Alfa Laval B	. 217 . 372	+2	HONG KONG		_	<u>21,1861d0                                    </u>	עצט,ו.
Jaionet	5,860 +17	LOUGCUS	1,180	-48.5	ASEA (Free)	. 500 . 600	+15	April 22	Price	+ or	Showa Denko	., 3.65C
orts Lits	5,850 + 16	Preustag	232 274	-6.1	Atlas Copco Cardo (Free)	. 252	+2	]	H.K.S		S'tomo Bank	. 1.850
		I ftosenthal	376	- 6	Celluloss	_ 237	+9	Bank East Asia Cheung Kong	20.7	+0.1	S'tome Chem S'tome Corp S'tome Elect	807
NMARK .		angine us		-9.8	l Ericsson B		+10	Chine 1 icht	17	TU. 2	S'torno Metal Talse Corp	. 145
4pm 88 ;	Price +or	Varta	578	-2.5	Mo och Domsjo.	270	+5	Heng Seng Bank Heng Seng Bank Henderson Land	7,25×a	- 0,81 + 0,25	Taisho Marine	. <del>6</del> 75
	Knr %	Veba	191	-8,5 -1	Pharmacia	800	+8		17,2	-0.65 +0.2	Talyo Kobe Bani Takeda	. 1.460
elebanken	577 -24	Verein-West	520 -	+ 10 i	Sandvik	. 910	-10	Hk Electric	8.9 6.95	-0.1	Tellin	. 4,200 . 515
			550,5		SKF	. 352	-+5	HK Kowloon Wh. HK Land HK Shanghai BK.	6.4	+0.1	Tca. Nenryo Tokai Bank	1,760
ske Bank	371	ITALY		Ė	Store Kopparbre	, 29S	+6	HX Telephone	10.6	+0.1	Tokio Masine	1.140
Dankse Luft. 1 : Asiatic	.790		Price	+ or	Swedish Match Volvo B (Free)	. 360 . 404	+15 +15	Hutchison Wpa Intnl. Oity	0.97	-0.25	Tokyo Elect Pw Tokyo Gas	. 416
enede Brygg. 1	240	April 28	Line		·		<del></del>	dardine Math New World Dev	13,3 6,05	-0.1	Tokyu Corp Toppan Print	. 836
Hid	645 . +10	Banco Com'le Bastogi-IRBS	750		SWITZERLAN	D		l Orient O'seas	1,99	+0,1	Totay	. 550
e Bank	660 _5	Sastogi-IRES Centrale C.I.R.	12 710	24N	April 22	Price	. 4.00	Shell Elect	1.01	+0,02	TOVO SEIKBO	
n Inde" etbanken	2719	Credito Italiano	3,709	+9	. April 52	F75		T.Y B	6,05	0,5	UBE Inda	. 1,550 . 250
insbanken oth (F.L.) B	393 · —1	1 Generali Assicur.	158,000	-3888	Adla Intl.	5,800	+125	World Int. Hidge.	2,4	0.85	Victor	. 2.720
hus Berend	995 -5	Italcomenti	70,000	3000 30	Bank Leumann	. 3.950		JAPAN		1	Yamaha Yamaichi Sec Y manouchiPhm	970 3.260
PT104	284	La Rinascante	18,485.	. +35 I	Brown Boveri	. 1,940 . 5.850	_SD		<u>.</u> .	_ 1	Yamazak	. 1,370
ANCE	· · · ·	Pirelli Co	6,000	-45 -179	do.(Part Carts)	2,950	60	: April 22 ;	Price ·	+_0r	Yasuda Fire	659
		Saipem	5,030	-68	Elektrowatt	.: 3,880	-10	Alinomoto	,620	_ <del></del>	SINGAPORE	
	Price + or	Toro Assic	7.250 46,800	- 1850	Hoff-Roche PtCb Hoff-Roche 1/10. Jacobs Suchard	150,589	- 2210	All Nippon Alc	860	-,	April 22	Price
<del></del> -	Fra	1			Tacobe Suchard	8,150	250 75	Aips Electric	990 851			
runt 41% 1873 1 Tunt 7% 1976 7	.511 +1	NETHERLANDS	\$	÷ ,	Landis & Gyr	2,060	+25	Asahi Chemana Asahi Cleata Bank Tokyo Bridgestons Brother Inda	1,170 <b>79</b> 8	-70 +18	Boustand Hidgs Cold Storage	0.64
· 4	48 20 44 4	- April 21	Price	+01	Nestie	. '8,800	-50	Bridgestons	620 620	÷5	DB\$ -,	4,74
iquide	798 +8 667 +7	,	Fis	+0	Pirelil	. 484	43	Canon	,140		Genting Haw Par. Bros	. 1,85
/2017 2 /gues 1	,050 +5 ,199  —1	ACF Holding	301	+3	Sandoz (Br) Sandoz (Pt Cts)	15,000	+300	Chugal Pharm.	.300	-30	Hong Leong Fin., Inchcape Bhd	1.78
gues 1 Gervals 3 Noatel 2	980 +10 340 +10	Abold	78.7	-0,8	Schindler (PtCts)	1 200	- 10	l melel 1	DAN -	•	Kappel Shipyerd	0.86
Mediter'n	425 +10	1 AKZO		~1.2 +3.5	Surveillance A	7,090	~10	Dai-Ichi Kan, Bk. Dai Nippon Ink Dai Nippon Ptg		+7	Malay Utd. Ind	. 1.18
		AMEN	· AZ R	-0.2 -0.2	Surveillance A Swissalr Swiss Bank Swiss Relisse	. 1,975 . 591	-4	Daiwa House	,280	-70 J	OCBC	6.15
Mog	425,9 +1,9	Bradero Cert	203		OWAS TORONS	6.91U	+300 +30	Daiwa House	690	-60	Public Bank	0.65
y	,180 20 ,045 15	Bos Kalis Westm. Bushrmann Tet.	16.3	-02	l Union Bank	. 5.480	+40	Fantic	,486 ,530	+30-1	Sime Darby	1.1B
i une uani i	-423 -43	Calland Higs Dordtsche Pet'm	17.5	-0.5	Winterthur Zurich ins	8,075	+ 195	Full 55tm	L440 ·	-30	Singapope Air Singapore Press, Straits Trdg	6.90
guitane 2	348 +8 650 +55	Elsevier-NDU	187	+3	. • : .			Fullbu	.060		TJE LEE BK	1.98
Occidentale	981 +4	Fokker	94.2	~0.8	AUSTRALIA			Firukawa Ejeçt.		-7	UOB	3,08
≥/	94 ~1.8 535 +45	Gist Brocades	STA'T		-	Price	احفد	Indiad teed rec-	- 255		SOUTH AFRIC	
tal 3	67594	Hoogovens	61.4	-1.6	-April 22	Aust 8	<b>+</b> ~ ]	Hitachi	,550 ·	+4	April 23	Price
and 4 ons Phenix 2	,060 +60 68.53.5	int witener	74.2 49.5	-0.7	ACI Intl	3.60	[	Hitachi Credit	.250 460	+40	Abercom	1.97
a S.A 2 eyn B 3	340 +12 349 +104	KNP	144.2	~-0.3 I	Adelaide Steams	13.6	+0.12	ishikawajimaHr.	183	~5 }	AE&C  ,,,,	11.25
(Lite)	.550 +100	Nat Ned Cort	54,2 85,2	10.7	Ampol Pet	, <u>2,</u> 4	70.12	toh (C)	450	<del>-</del> 7_	AIII60 Tech	ь×
Hennessy "E	40515	Ned Mid Bank Nedligyd	-198	+1 -0.3	Asirton Aust, Guarantee,	1.65 3.35	~0.02	to. Yokado 3	.990 ·	90 200	Anglo Am. Coal. Anglo Am. Corp . Anglo Am. Gold.,	41.25 219
er	214 + 15.2 120 + 50	Oce Grinten	449		Aust, Nat. Inds	3,35	0.13 0.88	Jusco1 Kajima	570 : 745	4.4	Barciays Bank	18
61	715 45	Oce Grinten Ommeren (Van) Pakhoed	61.5	+0.8	Sell Group, Bell Res	•	~-0.18	Kao Soap	430		Barlow Rand	63
nes Fra	007 -30	Philips	62.8	l	Bond Corn Hidgs	3.42	~0.84	Kirin —————.]	162 .	-2	CHA Gallo	2.05 5,
		Robeco	138.2	-0.5	Bora! Bougainville	2.5	-0.1	Kobe Steel	182	+1 (	De Beers	22.5
DIOCK	945 +8 ,945 -34	Roranto	85.4 80.6	10.2	Brambles Inds Bridge Oil	7. 1.32		Komatsu Koniahiroks	715 -	~9	P.S.Cons	33.75
sel-Ugiaf1,	565 +5 565 +5	Royal Dubbh	.196 -		B. H. Frop Surns Philp	7.84	-0.82	KUDOTA	290 789	~;;;"({	Gold Fields S.A Highveld Steel	34.85 5.65
otech	200 - 4 4	VMF Stork	208	3 1.5	CRA TO	2 64	~~~	Kyocere4	620	إلىسى-	Malcor Nedbank	9.45
HEER (CSFL.)	900	Wesserien		¥1.5	CSR	3.18, ·	0.00	Marul	390	+10	JK Bazááře	12.5
neen (CSF) 1	177 / 77	West Dr Bank	.00 j.	::::::12	Clarkmont Pet	3.00	-0.2	Marul	687	-1. I	rembrandt	49.25 31.25
		iga are as quotec		- I	Consider A" Consolidated Pet					~10 II	Sage Hidgs	TS'RD
gastaxe isubit	es and are s	et traded prices. \$	Caping	_ 1	Consolidated Per'	0.15	+0.01	M'bishi Chem M'bishi Corp M'bishi Elect	678 759	+3 [	SA Brews	9.15 26.5
		Ex strip jasúe, ar E aner:	Ex rights		Eldars IXL	4.6	-0.1	M'bishi Elect	\$61	~4 l¹	Congast Huletts	7,9
: all, * Price			٠.		Energ Res,		_ ~~~	M'bishi Estata1	21^	-70 J	Unitec	6.50 .

### Liberal peppering of results adds spice

Continued from Page 44

Thyssen both lost ground despite winning a Soviet order for 30,000 tonnes of gas pipe. The former shed DM 2.80 to DM 257 and the latter slipped DM 2.50 to DM 183.50.

Sharp falls of up to 70 basis points were recorded in an unsettled bond market as profit-taking took hold. The Bundesbank stepped up its market balancing exercise with purchases of DM 55m of paper compared with Monday's sale of DM 1.2m. Stockholm rose sharply in heavy trad-

ing on hopes that a revised government supplementary budget, to be presented to parliament on Friday, will stimulate the economy and that interest rates will

The corporate sector offered much to digest. Volvo, jumped SKr 15 to SKr 404

after announcing that it would take full control of its Japanese importing agent to strengthen its Far East position.

Saab, which reported a 7 per cent sales and profit rise for the first quarter, also added SKr 15 to SKr 800. Ericsson, which announced on Monday that it now held 50 per cent of the entire US mobile telephone market, advanced SKr 10 to

SKr 298. Central bank data, revealed yesterday, indicate that foreign net purchases of Swedish shares nearly doubled to

SKr 2.49bn in the first quarter
Milan, although easier, was not without its corporate highlights. Olivetti picked up L35 on its VW deal and results while Fiat retreated L570 to L12,305 on reports that pressure is being applied to Libya to sell back its 13 per cent stake

that it acquired in the motor group in

Generali, which announced a L100bn scrip issue after the close of trading, lost

L3,900 to L136,000. Paris made moderate progress in active trading but the imminent close to

the account had a dampening effect. Builders, however, were buoyed fur-ther by the hopes of lower interest rates and Lafarge Coppée added FFr 45 to FFr 1,530, while Screg, at FFr 103, was FFr 2 cheaper.

Amsterdam finished mixed although Royal Dutch picked up FI 3.30 to FI 196 and Akzo dipped Fl 1.20 to Fl 178.90 ahead of today's results.

Bonds were lower where changed. Madrid continued its record-breaking form, while Oslo rose in heavy turnover.

#### **CANADA**

**NEW YORK** 

		TOR Prices		30pm			10030 36658 1200 3900	Chieftan Cominco Computing Comput in	\$103 <sub>8</sub> \$123 <sub>4</sub> 56 385	103g 1274 57 <sub>6</sub> 380	103g 125g 6 385	+3g +14	8520 50 5685 52006	Kerr Add Kiena Gld Labatt LL Lac	\$16 \$237 <sub>8</sub> \$437 <sub>4</sub> \$197 <sub>2</sub>	15% 23% 43% 17%	18 23% 437 <sub>2</sub> 184 <sub>2</sub>	~3 <sub>9</sub> → 15 <sub>6</sub>	45837 6342 6975 5070	RyTroo A Royex StL CemA i Sceptre	\$34½ 295 \$38 260	290 387 <sub>8</sub> 250	341 <sub>2</sub> 290 38 260	+ 1 -5 +2 +1
	20// 600	ANGA Int Abertord	\$ 181 <sub>2</sub>	171 <sub>4</sub>	174 5	- 15g - 5g	22178	Comilerna Con Bath A 5 CDistb B f Cons Gas	\$8% \$25%	195 274 8 25	195 271 <sub>4</sub> 8 251 <sub>4</sub>	-1 <sub>2</sub>	850 3150 13948 17850	Lacens Laidlew A Laidlew B I Leigh Inst	\$874 \$197 <sub>8</sub> \$195 <sub>8</sub> \$545	61 <sub>8</sub> 192 <sub>4</sub> 191 <sub>2</sub> 53 <sub>8</sub>	81 <sub>8</sub> 197 <sub>8</sub> 191 <sub>2</sub> 51 <sub>2</sub>	~ 18" + 18	300 2200 25 42955	Scotts I Scotts C Seegram	\$27% \$40% \$40% \$40% \$83%	271 <sub>8</sub> 40 407 <sub>8</sub> 827 <sub>8</sub>	273 <sub>8</sub> 407 <sub>8</sub> 407 <sub>5</sub> 833 <sub>8</sub>	- 1 + 7 + 1
	19250 64214 354) 28000	Acktends Agnico E	\$25% \$21 \$240 \$1210	251 <sub>4</sub> 201 <sub>2</sub> 245 <sub>8</sub> 123 <sub>8</sub>	2514 201 <sub>2</sub> 241 <sub>2</sub> 121 <sub>7</sub>	- 14 - 14 + 18 + 19	2400 505	Con Glass CTL filenk Conwel B Corby	\$254 \$914 \$814 \$1834	25% 9 614 181 <sub>2</sub>	25% 914 614 183a	+ % + %	3920 29800 900 9650	Lobiaw Co MICC MSR Ex Moten H X	\$274 450 240 \$20	5% 26% 435 240 19%	2774 450 240 197s	+ 10 1 <sub>8</sub>	59934 3500 60961 5010	Sears Can Selium A ( Shell Can Shermt	\$161 <sub>8</sub> \$25 \$231 <sub>2</sub> \$71 <sub>8</sub>	16 25 22 67	16 25 221 71	-1 -1
	2044 38800 2700 2159	Albris N Alcan Algo Cent Algoma St	\$12 \$439 <sub>4</sub> \$209 <sub>2</sub> \$18	113 <sub>4</sub> 431 <sub>4</sub> 201 <sub>8</sub> 775 <sub>8</sub>	113 <sub>4</sub> 431 <sub>2</sub> 201 <sub>6</sub> 18	-14 +14 -38	3100 4935 3100	C Falcon C Coseks R Costein Ltd Crowns	165	17½ 160 14 31%	177- 165 14 314	+5	1100 21249 17302 3654	Macmillan Magna A f Maritime f	\$167 <sub>4</sub> \$325 <sub>8</sub> \$313 <sub>4</sub> \$157 <sub>8</sub>	165, 311, 313, 147,	1634 3114 311 <sub>2</sub> 15%	-114 +19 +18	33350 9304 75900 27626	Southm Spar Aero ! Steinbg A I Steics A		247 <sub>8</sub> 304 481 <sub>8</sub> 2774	71 <sub>8</sub> 251 <sub>2</sub> 301 <sub>2</sub> 49 277 <sub>4</sub>	+1, +1, +1
	17900 20158 400 3200	Asamera	597 <sub>6</sub> 59 567 <sub>6</sub>	878 878 878 2354	91 <sub>8</sub> 87 <sub>8</sub> 87 <sub>6</sub> 237 <sub>4</sub>	~ 14 ~ 29 ~ 16	41684 8000 8355 18255	Crownx A f Czar Res Denison A Denison B	140 287	3034 140 834 814	303, 140 83, 812	-1 <sub>2</sub> -1 <sub>8</sub>	300 46017 100 358	Mark Spnc Maps Fer Mc intyre Mertand E	\$173 <sub>8</sub> 284 545 218	173 <sub>8</sub> 280 45 218	173g 286 45 218	-5 +1	677 22901 1000 6530	Sulptro Teck B t Tele Met Terra Mo	85 \$22 <sup>1</sup> 2 \$40 <sup>7</sup> 4 235	66 213, 407, 230	66 221 407 230	-4 -3 +2
	3700 40650 1000 61304	BGR A BP Cacada Bankster C	\$734 \$2772 \$814 355	27 27 34 340	73, 27 91, 345 329,	+ 1/2 ~ 1/4 ~ 5	7400 4400 44295 8210	Dickman A ( Dickman B Dolesco Dome Cda		674 7 313 <sub>4</sub> 475	67 <sub>6</sub> 7 312 <sub>4</sub> 473	-3g -10	17400 57797 900 21106	Muruf Res Mitel Corp Mollat Molson A (	270 56% \$15 \$28	265 63 <sub>4</sub> 15 275	270 679 15 2734	+ 10	22150 12427	Texaco Can Thom N A Tor Dm Bk		26 290 <sub>4</sub> 251 <sub>2</sub> 24	26 30 251 <sub>2</sub>	- 1 - 1 - 1
	12331	Bk Month 4 Bk NScot 1 Bell Can Bluesky	\$33% \$145, \$41 255	35% 147 <sub>8</sub> 40% 250	332, 145, 497, 250	~ 14 ~ 18 + 18 ~ 5	11785 382768 51754 8607	Dome Mine Dome Pete D Textie Domber	591- 202 \$201 <sub>4</sub> \$321 <sub>8</sub>	97, 197 207 <sub>2</sub> 32	90 <sub>0</sub> 197 200 <sub>4</sub> 32	+14 -2 +14 -39	20 400 1300 75697	Molson B Moneco A I M Trusco Moore	\$27 \$61, \$235 <sub>0</sub>	27 61 <sub>2</sub> 235 <sub>8</sub> 373 <sub>8</sub>	27 652 2358 373e	- 1 <sub>d</sub> - 1 <sub>e</sub>	1142 4505 3940 18300	Torstar B / Total Pet Traders A / TrGan B A	\$587 <sub>2</sub> \$247 <sub>8</sub>	581 <sub>4</sub> 24 361 <sub>4</sub> 115	58% 2415 3814 115	+ 3
	7160 43284 500 3277	Bonanza R	217 \$11 151 \$1834	215 104 151 185	216 108 <sub>4</sub> 151 181 <sub>2</sub>	+1 -4	500 1150 61780 400	Donohue Du Pont A Dylex A E-L Fin	\$2734 \$337 <sub>2</sub> \$171 <sub>4</sub> \$821 <sub>4</sub>	2734 3312 17 6214	2734 3312 17 6214	-34	100 15973 4005 23050	Murphy Nai Bk Cen Na Vg Taco Nii Cana i	520	20 285 <sub>8</sub> 297, 87 <sub>2</sub>	20 284 284 87	- 1g - 3g - 1g	912 27716 36072	Trns Mt TrnAke UA TrCen PL	\$113 <sub>4</sub> \$283 <sub>4</sub> \$190 <sub>2</sub> \$351 <sub>4</sub>	111 <sub>2</sub> 281 <sub>2</sub> 191 <sub>2</sub> 343 <sub>4</sub>	11½ 28¾ 1912 35	- 14 + 14 - 14 + 15
1	15531 71100 600 9628	Brascan A Briowster Brenda M BC ForP	\$25% \$61, \$83, \$141,	25% 5 512 13%	25% 6% 8% 13%	-14 +12 -14 -15	36680 200 61100 3400	Echo Bay Empo Equity Svr FGA Inti	\$21% \$28 415 \$184	205 <sub>8</sub> 28 390 177 <sub>8</sub>	2034 28 405 1814	- 14 - 18 - 20 + 12	10485	Nild LP A Normale Norman Norman ord f	\$184 \$174 \$115	18 174 114 106	181 <sub>8</sub> 173 <sub>8</sub> 111 <sub>4</sub> 101 <sub>8</sub>	-2g -12	107714 38400 1740 1000	Trimac Trimity Res Trizec A f Ulster P	245 53 \$37 131	235 53 37 131	235 53 37 131	-2 -5
	17810 28475 250 7100		140 \$281 <sub>2</sub> \$13 \$233 <sub>4</sub>	135 2674 13	148 28%	+3	44312 30950 1 2100	Figure A Figure A Figure A FCity Figure A	\$215 <sub>2</sub> \$151 <sub>2</sub> \$18 \$131 <sub>3</sub>	214 15 18 134	213g 151g 18 131g	+14	4100 10745 2050	NC CHS Nor Tel Northget Northget	\$12 \$40 460 475	12 395 460 485	12 393 <sub>4</sub> 460 475	+36	50 5177 90 100	Un Carbid U Entprise U Canso Un Corp	5171 <sub>4</sub> 5121 <sub>4</sub> 67 548	171 <sub>4</sub> 12 67 48	171, 121, 67 48	-
	9155 1950 1500 19500	CCL B f CtL Cad Frv	\$20% \$34% \$20 \$23%	231 <sub>2</sub> 20 343 <sub>6</sub> 195 <sub>7</sub> 231 <sub>4</sub>	235g 365g 345g 197g 237g	+ 1g + 1g + 1g	100 1000 2650 800	Ford Coda Gandali Gaz Metr Gesc Comb	\$172 \$94 \$115	172 91 <sub>8</sub> 117 <sub>2</sub> 54	172 918 111 <sub>2</sub> 554	- <b>1</b> 9	8000 2105 10900 29500	Nowsco W No West Number Oakwel A f	\$104 33 \$8% 215	10 33 55 210	1014 33 85 215	+14 -1 -14	1400 2900 2300 23730	Versti A 1 Versti B Vestgron Vulcan Ind	330 325 125 56 <sub>8</sub>	315 325 125 57	330 325 125 8	+ 1:
	7400 2000 600 11400	Camp Ruk Camp Res Camp Soup Campeau f	\$24 143	25 135 29 29	2576 143 29 2978	+5 +3 <sub>2</sub> -1 <sub>4</sub>	4516 12445 3850 9000	Gendie A Genster L Gübriter Goldcorp !	\$409, \$57°3 \$10 \$7'4	40°s 57% 9% 7°s	40°4 574 93 <sub>8</sub> 774	+ + + 1   +   +	9400 356 3500 90900	Ostava A I Omega Hyd Ostava A I PacW Airi	300 48 <del>5</del>	250 465 401 <sub>2</sub> 13%	300 465 41 139	+ 20 + 5 <sub>8</sub> - 7 <sub>8</sub>	200 38164	Wajax A	\$21 \$365g	201 <sub>2</sub> 363 <sub>8</sub>	36. <sup>5</sup> 50. <sup>5</sup>	- 1 <sub>2</sub> + 1 <sub>6</sub> mg
	29061 74366 200 1058	CCem ex p CDC f Can Malt C Nor West	\$85 <sub>1</sub>	154, 84, 22, 154,	1819 814 22 1524	+3 <sub>5</sub> -1 <sub>4</sub> -1 <sub>9</sub>	7410 23000 100 1422	Grafton A t GL Porest & Pacific Greyhnd	\$195 <sub>4</sub> \$251 <sub>4</sub> \$40 \$321 <sub>2</sub>	19 <sup>1</sup> 9 25 40 32 <sup>1</sup> 4	191 <sub>4</sub> 25 40	+ % + % - 11 <sub>2</sub>	37225 350 2400 12360	Pamour PanCan P Peoasta	\$151 <sub>2</sub> \$111 <sub>8</sub> \$231 <sub>4</sub> \$83 <sub>4</sub>	151g 111g 231g	151 <sub>2</sub> 111 <sub>3</sub> 231 <sub>7</sub>	~ 'a	rights.					
-	4100 1056 700 500	C Packing CS Pate f Can Trust CC Man Y	\$427; \$40 \$547 <sub>2</sub> \$29	42½ 340 54 29	421 <sub>2</sub> 340 541 <sub>2</sub> 29	-5 +1,	4295 3197 1900 3595	GuarPA f Gulf Can Hawker Hayes D	\$139 \$161 <sub>8</sub> \$281 <sub>4</sub> \$161 <sub>2</sub>	1314 16 277 <sub>8</sub> 1614	321 <sub>2</sub> 131 <sub>4</sub> 16 261 <sub>4</sub> 163 <sub>6</sub>	+12	700 4600 5900	Pembina Pjewi A f Pipe Point Placer D	\$151 <sub>4</sub> \$151 <sub>2</sub> \$91 <sub>4</sub> \$211 <sub>2</sub>	81, 15 154 97,	81 <sub>8</sub> 15 151 <sub>2</sub> 91 <sub>4</sub> 213 <sub>8</sub>	- 14 + 14 - 14		MON Closing pr				
	60 177244 12585	CG invest CJ Bk Com C Martoni C Occeptal	\$497 <sub>8</sub> \$199 <sub>8</sub> \$26 \$171 <sub>8</sub>	497s 195s 253s 167s	497 <sub>8</sub> 195 <sub>9</sub> 257 <sub>8</sub> 17	-14 -12	24851 100 8253	Hees incl Heritag A f H BayMn s H Say Co	\$32° \$25°, \$5°, \$33°	311 <sub>2</sub> 251 <sub>4</sub> 51 <sub>1</sub>	16% 311- 25% 6% 32%	- 14 + 15 - 14	4900 8800 2100 5075	Poco Pet Powr Cor 1 Precemb Proviso	\$81 <sub>4</sub> \$325 330 \$191 <sub>4</sub>	214 8 321 <sub>8</sub> 315 19	32½ 330 19¼	-18 +38 +15	38088 580? 18010 950	Bank Mont BombrdrA BombrdrB CB Pak	834% 822% \$22% \$15%	353, 22 213, 15	34 22% 213 <sub>4</sub> 15	4 iq 4 iq
	547215	CP Ltd CTire A f CUSI A f CUSI B	\$16% \$16% \$20 \$19%	17 <sup>1</sup> 8 153 <sub>4</sub> 19 <sup>2</sup> 8 193 <sub>4</sub>	18 16 20 1994	+4	50918 102308	Husky Oil Imaaco Imp Oil A Inco	\$67 <sub>9</sub> \$382 <sub>4</sub> \$432 <sub>4</sub> \$203 <sub>4</sub>	8½ 37½ 41¾	85° 80° 80° 80° 80°	-14 -26 -118	3000 208 1400	Que Sturg Que Tel Quebecor Ranger	370 \$153, \$193, \$5%	360 1534 1914 575	360 153 <sub>4</sub> 193 <sub>4</sub> 57 <sub>8</sub>	- 10 + 5 <sub>6</sub>	40558 1050 15135	Cascades CR ConBath DomTxtA	\$240g \$340g \$260g \$200g	347 347 347 347 347 347 347 347 347 347	50.5 343* 540*	+ 1, - 1, - 3, + 3,
	16504 100 6250 1450	Cantor Canron A Cara Cara A f	\$145, \$20 \$305, \$290,	14½ 20 29¼ 29¾	147z 20 30 293	-4	200 5600 269317 6672	Indal inland Gas	\$2634 \$111 <sub>2</sub> \$181 <sub>2</sub> \$155 <sub>8</sub>	20% 28% 1114 17% 15%	26% 111 <sub>2</sub> 18 151 <sub>2</sub>	-6" + ½	42000 1375 13400 3000	Rayrock ( Redpath Region) A Reitman A	\$634 \$263 <sub>2</sub> 190	5% 6% 26% 175 32%	54 263 175 324	-18 +38 -45 +14	18557 12810 58139 21360	Gaz Metro MntTrst NatSk Cds Power Corp	\$1134 \$237 <sub>8</sub> \$287 <sub>8</sub>	113g 231g	1117 2354 2874 2874	+1
	8545 38364 300 5199	Carl OK Carma A Carolin Calanges	\$157 <sub>4</sub> 14 151 \$187 <sub>6</sub>	151 <sub>2</sub> 13 151 161 <sub>2</sub>	15% 14 151 18%	+10 +1 -4 -14		Inti Thom Intor Pipe Ipsco Ivaco A f	\$114 \$44 \$104 \$267	11 433, 101, 283,	111 <sub>8</sub> 44 101 <sub>4</sub> 263 <sub>8</sub>	+ + + + + + + + + + + + + + + + + + + +	1860 960 5560	Rio Algom Rogers A Rogers B 1 Roman	\$26 \$20% \$21% \$21%	251: 201: 201:	25 20% 21 9%	+34	25360 8558 2520 130 22390	Provigo RollandA RollandB Roval Bank	519 \$735 <sub>4</sub> \$231 <sub>4</sub>	18% 23% 23%	2314 2314 2314 3215	-1
	9105 25850	CentFd A Centri Tr	\$8 \$199 <sub>4</sub>	57g 195a	6 195 <sub>2</sub>	- <b>u</b>	1000 23712	Jannock	527 5291 <sub>8</sub>	265 <sub>2</sub> 281 <sub>2</sub>	27 2834	+13	9835 84112	Royal Brik	\$40°4 \$32°4	35,5 38,5	39°7 32°8	-3; + 18	1408 5525	RoyTrateo SteinbrgA	\$34 \$48	32% 333, 477 <sub>8</sub>	32·2 34 48	-1,
ŧ			<u>.</u>		<u> </u>																			

#### **Indices**

HIMOTELL	JE 1800,	90 184	0,40 1	855,03	1847.	97 180	9.65 i85 (2)	5,30 1582 1.41 · (22	1 21/4/	10 41,22 16 (2/7/52
'me Bnd	s. 91.	94	1.75	91,86	91.	67 9	1.55 91		75 —	
ransport	822	13 81	2,56	817,96	813,	30 78	15 859	.84 686.1 (5) (9,1	87 858,6 6) 61/5 6	4 12,82 6 (8.7,82
Itilities	192,	24 19	1,78	192,50	191.	28 18			47 195.77 (1) 61/8:1	
Day's Hig	h 1864	,21 (	1870,1	(6)	Low	1629,6	6 (1850	98)		
TAKDABO /	MG POGR			<b>,</b>						
		Į.	l	1			198	5/86	Since Co	cupitation
	April 22	April 21	April 18	April 17	April 18	April 15	High	low	High	Law
dustrials	531'VI.	271.58	25k.77	286,48	259.48	263.67	271.58 (21.4.789)	224,88 (22/1)		3.52 (30/6:32)
<del>an posite</del>	244.43*	244.74	26231	243.83	30.22	237.73	244.74 (21/4/85)	203.48 (22/1)	244.74 (21/4/88)	
	·		$\Box$	<b>April</b> 9	T	April 2	Mar 20		Year Ago (	Apprex)
ud div yield <sup>j</sup> ad. P/E Radi					1	3.09		95 80	3.89 11,13	
ong Gov Bo	d Yield			7.34	<u> </u>	7.34	7.	M	11.5	3
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April April 22 21		April 17	High	1985 Low	<u> </u>			April 21	Agril 18	April 17
41.17 141.		140.89	148.86 (17/4/8	117.7	- Le Pis Ri I) Fi	sues mad ses		2,053 1,017 659	2,056 881 778	2.059 1.004 676
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						1400	Actives	•		
		Stocks Tanded	Price		بطا		T	tecks raded	Price	Change on Day
ATT Mai Ba	2. 1.	409,686 559 300	254			Steel ars Ros .		21,396 93,790	20% 45	+ 14 - 154
Scalopyl Grace W.S.,	1.	557,80£	284	s +2	Ve Es	st Kadek wister	, g	93,690 84,488	58% 11%	+ %
17		079,806	135			Z		48,000	494	+1**
dvatagas 71	7 Desii	Pes 758								
DECENTS			April	Agril	April	Agrit		198	5/86	
CHECKARD I D.			22	21	18	17		gh	lo	
		Ţ	_==-							
Meta	is & Minks mposite		Z,189.1°		2 206 SZ 3, 128 TI	3,118,6	2,442.8 3,129.1 1,523.33	(18/4/88	2,967.1 2,754.0	(2:4) (17/2)

	Apr. 22	Apr.	Apr. 18	Apr. 17	High 19	86 Low
AUSTRALIA All Ord. (1:1:80) Motals & Minis. (1:1:80)	1206.ā 507.7	1218.4 536.8	1218.7 544,7	7276.7 553.5	1218.7 :18 4+ 602,8 :24 5:	1010,8 /2. 7) 482,5 /2. 1)
AUSTRIA Credit Bk Aktien (2:1/82)	129,98	127,68	124,05	121.68	125,98 :22 4)	110,12 (5:8)
BELGIAN Brussels SE (1/1/90)	5657 <u>.</u> 21	86 15 <b>,0</b> 0	3596,46	3568_21	3662,89 (3 4:	2766,91 (15-1-
DENMARK Copenhagen SE (3/1/83)	(Ų)	260.27	250.78	250.00	250.70 (18-4)	214,87 (21,1)
FRANCE CAG General (\$1/12.82) Ind Tendance (\$1 12.85	385.1 145.6	580.Q 144.4	378,20 141,5	568.9 159.8	385,1 (22 4) 145,6 (22 4)	267.8 :2·II 101.5 :2 1,
GERMANY FAZ Aktien (31/12/58) Commerzbank (1/12/58)	747.90 2260.7	759.48 2248.5	742,88 · 2255,9	753,68 2278,6		618,34 :27 2: 1865,6 :27 2:
HONG KONG Hang Seng Bank/\$1:7/84	1792,90	1789.38	1790,40	1812,00	1828_64 (6-1)	1568,94 : (9 5:
ITALY Banca Comm Ital (1972)	758,58	774.95	764.85	746.63	774,95 (21 4)	454,67 (24-1)
JAPAN** NIKkei :18:5:49) Tokyo SE New (4:1:68)	15712 <u>.9</u> 1252,26	15827.5 1260.57	15758.61 1254.58		15859,7 (3) 3: 1265,93 (3) 4.	
NETHERLANDS ANP.CBS General (1970) ANP.CBS Indust (1970)	272.4 258.7	271.8 258.7	272,0 258,5	273.9 259.7	275,8 : 17 4: 259,7 : 17,4:	248,4 ·5 å; 254,8 (5 å)
NORWAY Oslo SE (4/1/83)	359.54	<i>3</i> 58.64	\$55.39	353.85	402,93 : 18-1:	841,33 / 11.3
SINGAPORE Straits Times (\$8/12:56)	582,57	584.05	584,01	578.58	844,89 (8/7)	567.20 - 14 4-
SOUTH AFRICA JSE Gold (29.9 78) JSE Indust (28.9.78)	=	1100.1 1032.2	7112.3 1096.7		1307.9 /27 11 1203.1 /20 31	) (08.1 :21 4) 1089.5 ·2 1:
SPAIN Madrid SE (80/12/85)	178,44	170.50	165,57	163.18	175,44 (22-4)	100.83 (5-1)
SWEDEN Jacobson & P (\$1/12/56)	2372.95	25 12,03	236 1.88	2357.88	2372,95 ,22 4,	1729,57 -29 11
SWITZERLAND SwissBankOpni51/12.58)-	603,6	ıCı	<b>608.6</b>	507,7	625.5 -8 11	554.7 (28 2)
WORLD M.S. Capital Intl. (1/1/78)	-	322,2	\$18,5	516.3	522,2 (2) 4)	249,8 (23/1)

\*\* Saturday April 19: Japan Nikkei 15.826.6. TSE 1,256.41.

### Chief price changes LONDON (in pence unless otherwise indicated)

RISES		Shell Transport	770 +18
Ass Heat Servs	355 +22	Stock Conversion	710 +16 710 +45
Atlantic Com Aurora Beatson Clark	275 + 15 81 + 6 212 + 14	Stroud Riley Tozer, Kemsley	100 + 5 101 + 6
Crystalata	208 + 8	FALIS	885 80
Duport	125 + 9	Boase Massimi	<b>33</b> 5 -20
Emess Lighting	317 + 14	Clarke (Clement).	165 — 18
Farmer (SW)	77 + 10	Cradley Print	64 – 6
Hillards	238 + 13	Ford (Martin)	11 <b>- 28</b>
Land Securities	326 + 10	Glaxo	£10 - 4
MEPC	375 + 7	McCorquodale	200 - 20
Morgan Crucible .	297 + 24	Next	284 - 10
Portals	900 + 40	Rank Org	530 -23
Rosehaugh	600 + 20	St Chartered	839 — 28
Roteflex	303 +93	Weir Group	140 - 7

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### NEW YORK STOCK EXCHANGE COMPOSITE PRICES

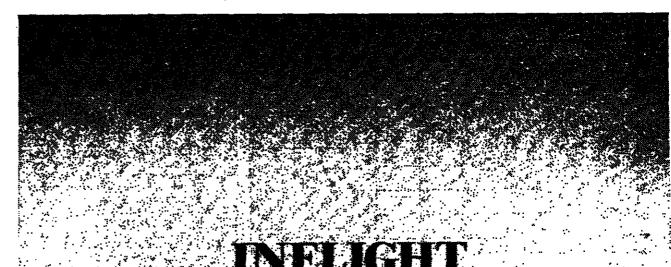
据有中部的 5 对,我也不是一种,我们是不是一个,我们是不是一个,我们是一 1 2.1 15 349 2.3 14 44 7. 17 47 11 60 7. 14 656 5.6 9 1288 8.8 253 6.6 14 656 6.0 9 48 11. 26 8.115 1618 1.15 1618 1.15 1618 1.1 20 1.1 349 2.5 13 409 1.1 32 2.6 600 4.2 1 1.3 209 4.2 1 1.3 209 4.2 1 1.3 209 4.2 1 1.3 209 4.2 1 1.3 209 4.2 1 1.3 209 4.2 1 1.3 209 4.2 1 1.3 209 4.2 1 1.3 209 4.2 1 1.3 209 4.2 1 1.3 209 4.2 1 1.3 209 4.2 1 1.3 209 4.3 1 1.3 209 4.4 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.3 209 4.5 1 1.5 209 4.5 1 4.5 209 4.5 20 EAUR 108 27 195
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EKORD 220 37 41 9708 8016
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ECHAN 16 14 | HAIFE | 2.28 | 8.8 | 13 | 48 | 254 |
HAIFE	1.80	7.8	85	1757	22	
Halwed	1.10	6.3	13	40	177	
Harmen	1.80	7.8	85	1757	22	
Harmen	1.80	7.8	85	1757	22	
Harmen	1.80	7.7	53	24		
Harmen	1.84	7.7	53	24		
Harmen	1.84	7.7	53	24		
Harmen	1.84	7.7	53	24		
Harmen	1.80	1.5	21	274	128	
Harmen	1.80	1.5	23	315	128	
Harmen	1.80	1.5	23	315	128	
Harmen	1.80	1.5	24	61	45	
Harmen	1.80	1.5	24	61	45	
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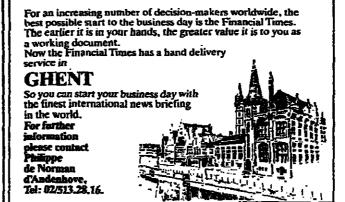
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### FINANCIAL TIMES WORLD STOCK MARKETS

**WALL STREET** 

#### Nervousness develops over rates

NERVOUSNESS over the trend in interest rates, as well as the sluggish pace of the economy, prompted some profit-taking in Wall Street stocks yesterday,

writes Terry Byland in New York.
Federal bonds turned down as the dollar's weakness against the yen implied reduced Japanese interest in US

Despite the disclosure of a sharp fall in March durable goods orders, credit market analysts backed off from forecasts of a further easing in federal reserve policies in the near term. The renewed slide in the dollar is likely to discourage the Fed from further action, at least until it has had time to examine the results of last week's reduction in discount rate.

Stocks soon regained their poise, however. The equity market remained confi-dent that the falls in oil prices and interest rates since the turn of the year will ensure higher earnings for US companies, and therefore a further rise in the stock market.

At 1pm, the Dow Jones industrial average was 6.45 down at 1.849.45. Corporate results continued to provide

STOCK MARKET INDICES

1,842.63

819.55

April 22

816.39

895.53

267.5

1,252.26

129.98

145.6

760.58

258.7

603.5

April 21

322 2

COMMODITIES

GOLD (per ounce)

Previous

1,855.9

822.13

244.74

817.37

897.35

270.0

15,712.91 15,827.28 12,179.9

536.3

127.68

3,657.21 3,615.00 2,224.23

2,189.1° 2,193.0 2,023.0 3,118.3° 3,121.8 2,630.8

1.608.14\* 1.613.36 129.98

250.27

144.4

747.90 739.48 424.67 2,260.7 2,248.3 1,230,1

1,792,90 1,788,38 1,487,40

258.7

359.34 358.64 313.51

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NEW YORK

LONDON

DJ Industrials

**DJ** Transport

S&P Composite

FT-A All-share

FT Gold mines

FT-A Long gilt

FT-A 500

Tokyo SE

AUSTRALIA All Ord. Metals & Mins.

**AUSTRIA** 

BELGIUM

CANADA

Credit Aktier

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Metals & Minis

Composite

Montreal

DENMARK

FRANCE

CAC Gen

WEST GERMANY

Commerchank

HONG KONG

ITALY

Hang Seng

Banca Comm

NETHERLANDS

ANP-CBS Gen

ANP-CBS Ind

Straits Times

SOUTH AFRICA

Madrid SE

SWITZERLAND

Swiss Bank Ind

MS Capital Int'l

Silver (spot fixing)

Copper (cash)

Coffee (May)

London

Paris (fixing)

Luxemboura

New York (June)

Žürich

Oil (Brent blend)

SWEDEN

WORLD

SPAIN

NORWAY

Oslo SE

TOKYO

FT-Actuaries
All-Share Index

KEY MARKET MONITORS

many features. The Detroit reporting season opened with Chrysler falling \$1% to \$39% after disclosing lower earnings

for the first quarter.
General Motors eased \$% to \$81% and Ford \$% to \$84%.

IBM made little initial response to the deal with Nynex the New York telephone utility which is acquiring Big Blue's Product Centres. At \$154%, IBM was unchanged, and Nynex added \$% to

MCI Communications, the long-distance telephone company, eased \$\% to \$33\% in minimal trading after announcing a sharp dip in quarterly profits. AT&T edged up \$% to \$25%, still helped by its own good profits statement.

Prime Computer, reporting lower profits, held steady at \$20% but Cray Research eased \$1% to \$81%, also after results. Oils showed scattered, irregular changes, as Mobil opened the reporting season, easing \$1/4 to \$291/2 after reporting higher earnings, but also warning against the implications of the oil price slide.

Amax, the big metals corporation. showed no change at \$14%, with the latest loss disclosure no surprise for the

Among utilities, Consolidated Edison, unchanged at \$45, reported weaker earnings, while Duquesne Light eased \$1/4 to \$13% after confirming the fall in earn-

The reporting season in the steel in-dustry continued to unroll, with Ampco-Pittsburgh, the metal products group, 3% easier at \$15% on news of a profitable quarter. At \$24%, Inland Steel gave up, \$%, but US Steel steadied at \$20%.

**CURRENCIES** 

Previous

2.208

172.05

7.0425

1.849

1.3875

Yield

10211/2 6.943 102752

124<sup>28</sup>%2 7.20 125

Day's

change

-0.17

-0.10

-0.03

-0.09

Yield

April 22

FINANCIAL FUTURES

103-12 104-13 103-07 103-29

94.48 94.55 94.46 94.51

93.80 93.82 93.80 93.81

93.48 93.54 93.47 93.52

128-02 128-30 127-31 128-21

Latest

US Treasury Bonds (CBT)

US Treasury Bills (IMM)

Certificates of Deposit (IMM)

154.31

135.62

147.65

186.27

Source: Memil Lynch

10112 6.511 10112 6.409

7.071 113%

Price

6.99

6.81

6.55

6.93

7.60

Prev

STERLING

1.5115

3.3375

2.795

4½ 4½ 7½

61%6

7'¾<sub>6</sub> 6.3 5.86

Yield

6.848

7.002

+0.03

+0.03

+0.02

+0.02

+0.03

April 22 Previous

2.102 2.1018

1.514

3.3275

257.25

10.6175

1,512.5 2,281.0 2,286.0

2.79

US DOLLAR

April 22

7.0125

1.8425

1,506 5

SF

DM FFr

3-month US\$ 6-month US\$

(offered rate)

US Fed Funds

Treasury

Treasury

(years)

1-30

1-10

Corporate

3% July 1990

10% Mar 1993

10% May 1993

9% March 2016

General Motors

8% April 2016

9% March 2016

8% 32nds of 100%

S1m points of 100%

\$1m points of 100%

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20-year Notional Gift

£50,000 32nds of 100%

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S1m points of 100%

June

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June

**LONDOK** 

Citicaro

CHICAGO

SCBT South Central

Diamond Shamrock

74.

1988

1993

Pharmaceutical stocks responded slowly to the renewed slide in the US dollar. But record results from Bristol-Mvers had been largely discounted, and at \$81%, the shares gained only \$%. Merck, still suffering from profit-taking, eased 5% to \$178%.

Across the broad range of industrial stocks, prices held steady. Cincinnati Milachron gained \$1 to \$25% on profit figures, while Gould eased \$4 to 586 after reporting lower earnings.

Despite news of a sharp loss, Diamond Shamrock edged up 5% to \$12%. Pitney-Bowes, the office mailing group, gained 5% to \$61%, while Freeport-McMoran edged up \$% to \$17%, brushing off the first-quarter loss.

On the consumer side, McDonald's, the hamburger monarch, jumped \$11/2 to \$107 after higher earnings for the first quarter restored confidence in growth prospects. Higher earnings at Dart & Kraft, the manufactured food group, lifted the stock by 5% to \$56%.

Short-term rates edged higher in the credit markets, behind a firm federal funds rate. The Fed again supplied liquidity, this time with two-day system repurchases when funds rate touched 71/16 per cent. Analysts, while less convinced that the Fed will cut the discount rate again in the near future, noted that the board seems to be continuing a policy of massaging rates downwards through market activity.

The bond market sagged at mid session as the strength of the yen against the dollar reduced the attractions for Japanese investors of the US bond

LONDON

#### **Institutions** happy on sidelines

LONDON equity markets were again looking jaded yesterday. There were few signs of any real selling pressure, but with institutional investors content to stay on the sidelines share prices were vulnerable to profit-taking.

The late afternoon saw a small recovery which left the FT Ordinary share index 4.7 down at 1,389.8. The FT-SE index ended 2.8 lower at 1,665.2. Despite the surrounding uncertainty,

bid speculation was still in evidence. Government securities, in contrast, traded on a quietly firm note.

Much of the day's business was confined to routine trading, but the market took on a firmer appearance in late afternoon after higher opening indications from the US bond mrket.

Chief price changes, Page 41; Details, Page 40; Share information service, Page 38-39.

#### **HONG KONG**

STRONG demand by American institutional investors, particularly for Hongkong Bank following recent buy recom-mendations by US analysts, took the Hong Kong market higher in early trading. But the market eased back later to end steady after a fairly active session.

The Hang Seng index rose 4.52 to end at 1,792.90 as profit-taking reduced a 19 point gain in mid-morning. The Hong Kong index rose 2.42 to 1,113.77. Analysts attributed the downturn to

profit-taking as investors sought to raise cash for Cathay Pacific's public offering of shares which began yesterday.

The stock was quoted at HK\$3.88 but was said to have traded as high as HKS5.50 on the so-called "grey market."

#### SINGAPORE

STOPLOSS selling and an absence of buying support sent prices marginally down in thin Singapore trading. The Straits Times industrial index

closed at 582.97, down 1.08, having been just 0.31 ahead at mid-day. The Stock Exchange all share index eased 0.45 to The exchange's turnover was again

dominated by Singapore Airlines, which eased 10 cents to SS6.45. Profit-taking erased early firmness in the stock, which had been in heavy demand over the previous three sessions amid reports of foreign demand, particularly from British investors.

#### SOUTH AFRICA

REVIVED interest in gold surfaced in Johannesburg causing shares to end firmer and recover from their recent

Vaal Reefs rose R5 to R208, while Kloof gained R1 at R22. Among mostly steady other minings, platinums and diamonds advanced with golds.

Impala added 75 cents at R28.75 and De Beers rose 20 cents to R22.50. Industrials tended easier.

#### CANADA

GOLDS and industrials strengthened and oils weakened in active Toronto trading.

Takeover target Hiram Walker added CS% to CS36% as bidder Gulf Canada said legal action might block Walker's C\$2.6bn drinks business sale to Allied-

Pacific Western Airlines fell CS% to C\$13% on increased first quarter losses. In Montreal, industrials led the decline although banks and utilities managed to resist some of the pressure.

**EUROPE** 

### **Peppering** of results adds spice

pered the European bourses yesterday affording investors ample opportunity to indulge in a little profit-taking, some bargain hunting and the odd bit of portfolio adjusting.

Brussels began the new account with

a mild dose of professional profit-taking although lower interest rate trends buoyed sentiment which produced a 42.21 rise in the Belgian Stock Exchange index to 3,657.21.

Utilities insurers and banks were quick to benefit from the late buying and Petrofina, the bourse's beliwether, rose BFr 10 to BFr 7,510.

A warm welcome was given to the price set by Genérale de Banque, the country's largest commercial bank, on the shares it will issue under its capital increase. The issue price is BFr 5,250 compared with yesterday's closing price of the bank's stock of BFr 6,440, up BFr 140.

Société Générale de Belgique, which is planning a rights issue later this year, rose BFr 40 to BFr 3,230, while Wagons Lits, the tourism and travel group, which also plans to proceed with a capital increase this year, jumped BFr 160 to

Bekaert, the steel wire and cord group, advanced BFr 250 to BFr 13,250 on plans to build a new plant in the US, while confectionery group Côte D'Or retreated BFr 190 to BFr 3,650 on poor

The rate of interest on four-month

money market paper - Fonds des Rentes Certificates - was cut 25 basis points to 8 per cent following a weekly auction at which Belgian financial institutions offered BFr 5.05bn for the fourmonth certificates. Bids worth BFr 2.85bn were accepted at an interest rate of 8 per cent. Zurich returned from its holiday to

meet a plethora of news. Large insurance stocks were sought, with Zurich Insurance picking up SFr 125 to SFr 8,075 after announcing on Monday that it had bought control of the Italian insurance conglomerate Minerva.

The banking sector hit a high for the year with SBC edging SFr 4 lower to SFr

591 despite good first-quarter results. Leu, also reporting good progress in the first three months, held steady at SFr

The weaker dollar prompted some selling as Nestle dipped SFr 50 to SFr 8,800 and Jacobs Suchard retreated SFr

Belgium

### Brussels SE Jan 1,1980-1000 3400 CORPORATE RESULTS and news pep-

steady at SFr 2,000 after good results and last's week's significant Canadian order, while Sulzer, the engineering group, at SFr 3,350 rose SFr 50 after Monday's optimistic profits forecast.

Particular activity was noted in Sandoz bearer shares which jumped SFr 300 to SFr 13,000 although the participation stock lost SFr 20 to SFr 2,010.

Bonds were mixed to slightly weaker. Thin Frankfurt trading was tinged with profit-taking although banks recovered to finish little changed on further speculation that the Bundesbank may cut rates at its policy meeting tomorrow.

Volkswagen was a focus of attention as it finally announced that it would effectively exchange its Triumph Adler subsidiary for a 5 per cent stake in Olivetti, the Italian group. VW, which originally denied any intention of bartering its subsidiary over two weeks ago, retreated DM 4.50 to DM 656.50. Daimler, however, moved DM 4 ahead to DM

Among the fragile banks, Bayerische Vereinsbank posted the best showing with its DM 5 gain to DM 640, while Deutsche Bank lost 50 pfg to DM 892.50.

The higher dividend from Hoechst was announced after the market's closure and the chemical group finished DM 3.10 down at DM 314.10. Insurer Allianz sparkled with a DM 18

rise to DM 2,858, while associate insurer Munich Re gained DM 7 to DM 3,837. Engineer KHD, gave up DM 1.50 to DM 301 after declaring an unchanged dividend for 1985. Mannesmann and

Continued on Page 41

#### **AUSTRALIA**

A MAINLY technical correction to last week's record gains sent Sydney shares sharply down and the All Ordinaries index ended 11.7 lower at 1,206.5. The downturn was evident in the major sectors, with the All Industrials closing at 1,973.2, down 18.4, while the All Resources was 6.6 lower points at 627.5.
BHP ended 2 cents lower at A\$7.34 af-

ter falling to A\$7.26 in the first hour. Bell Resources, trading ex rights, dropped 15 to A\$4.20 and its parent, the Bell Group, fell 16 to A\$8.00.

### Halt in yen's rise prompts downturn

A SHARP setback was suffered in Tokyo yesterday, after an early gain, with the market taking its lead from the yen's swings on the foreign exchange market, writes Shigeo Nishiwaki of Jiji Press.

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The Nikkei stock average, 32 points ahead at one stage, finished 114.37 lower at 15,712.91 - its first fall in six sessions. Volume expanded from 512.38m shares to 624.61m with losses outpacing gains 551 to 296 with 135 issues unchanged.

As the yen advanced above 169 to the dollar, investors bought utilities and oils which benefit from the Japanese currency's appreciation. But stocks came under selling pressure as soon as the yen's

advance halted.

Tokyo Electric Power rose Y50 to an all-time high of Y4.160 at one stage but sank to Y4.010, down Y100, under heavy selling as profit-taking set in. Tokyo Gas opened Y5 higher but finished Y14 lower at Y416. Nippon Mining was in heavy demand, making it the most actively traded issue on 56.05m shares. The stock added Y18 to Y502.

Interest rapidly shifted to blue chip is-sues when the yen's rise stopped: However selling ballooned as the currency resumed its advance, pushing blue-chip prices down on a broad front. Hitachi closed at Y896, up Y4, having been Y16 ahead at one stage. Matsushita Electric Industrial rose an early Y40 but ended Y10 lower at Y1,600, and NEC was down Y30 at Y1,550.

Despite the general downward drift of blue-chip stocks, Honda Motor and Payota Motor remained firm. Honda, which reported a 192 per cent rise in recurring profit for the year ended last February, climbed Y100 temporarily and closed

Y49 up at Y1 250. Nikko Boseki shot up Y46 to Y624 on market rumours of heavy speculative buying while Nippon Kayaku und Meiji Milk Products gained Y58 to Y910 and

Y28 to Y559 respectively.

Bond prices also fluctuated violently.

Growing confidence that the Bank of Japan will cut the official discount rate for a fourth time this year, due to the sharp advance of the yen, prompted dealers and brokers to be active buyers. As a result, the yield on the benchmark 6.2 per cent government bond, maturing in July 1995, slipped to 4455 per cent, a record flow, from stonday 3 550 per cent.

But at this level, selling pressure grew and the yield climbed back to 4.545 per cent in black trading on the Taken

per cent in block trading on the Tokyo exchange and to an even higher 4.590



#### score 1985 was a good year for KNP. The high production level

reached in 1984 was maintained. Profit increased by 85%. The most agreeable aspect of this is that these results in the first place were brought about by an improved product mix, optimalized efficiency, productivity, cost control and investments - all typical structural KNP measures to carefully build up a consistent top level. For KNP will keep on scoring.

RESULTS IN 1985:

x Off. million	1985	1984,	Change in
Net sales	1635.4	1504.5	9
Result after taxes	117.3	63.4	85
Cash flow	188.8	118.5	59
Capital expenditure	204.5	120.7	69
Shareholders' equity	<b>534.</b> 5	429.0	25
Group equity	605.2	431.3	40
Data in guilders per sh	are of Dfl.	10	

Result after taxes

8.95 Cash flow 25.50 16.70 Shareholders' equity 60.50 2.80 72.00 Dividend

Koninklijke Nederlandse Papierfabrieken N.V. (Royal Dutch Papermills) specializes in the production and selling of paper and board for the printing and packaging industries. The

number of employees amounts to over 4,900. The Paper Group has three plants in the Netherlands and one in Belgium. In 1985 the group produced approx. 460,000 tonnes of paper, about 75% of which was experted. KNP is one of the major producers of coated paper in 

The Packaging Group comprises seven production plants and four board products plants, together producing approx. 340,000 tonnes of board in 1985, about 50% of which was

The 1985 Report is available from: The Secretariat of KNP N.V., P.O. Box 1022, NL-8201 MH Maastricht, the Netherlands: Tel: 31-43.822226.

